

Company number 05734119

Broadland St Benedict's Limited
Annual Report and Financial Statements
For the year ended 31 March 2018

Broadland St Benedicts Limited

Executive and Advisors for the year ended 31 March 2018

Company Information

Company registration number 05734119

Registered office NCFC
South Stand
Carrow Road
Norwich
NR1 1HU

Directors Martin Clark MCIOB MRICS
Michael Newey D.Sc (Hon) BSc FRICS FCIH
FRSA MAHI (Chair)
Sean Tompkins D.Eng (Hon) ACII FIDM MIOD
DiplOD
Helen Skoyles BA (Hons) CIHCM
Julian Foster MA (Hons) ACA FCT

Secretary Sarah Wyatt MA ACIS

Bankers NatWest Bank
45 London Street
Norwich
NR1 4LX

Auditor BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Broadland St Benedicts Limited

Report and Financial Statements for the year ended 31 March 2018

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Broadland St Benedicts Limited

Report of the directors for the year ended 31 March 2018

The directors present their report and the financial statements of the company for the year ended 31 March 2018.

Principal activities

The principal activities of the company are property development and related services. A number of sites are being developed in North Norfolk with new homes for outright sale alongside social housing being developed by the Company's parent company. The Company has in place a development framework agreement with its sister company, Broadland Development Services to facilitate the procurement requirements for these sites. In April 2017 it completed an intercompany loan agreement for £9.9m with its parent company, Broadland Housing Association to provide the necessary funding. This loan carries a commercial rate of interest.

Results and dividends

There was a loss before taxation for the financial year amounting to £47,085 (2017: profit before taxation £5,873). The directors have not recommended a dividend. On the basis of expected future profitability, the directors have continued to use the going concern basis in preparing these financial statements.

Principal risks and financial risk management objectives and policies

The key risks to the business as seen by the directors are as follows:

- development risks which are managed by the use of Design and Build contracts with contractors;
- availability and price of land for future developments; and
- future exposure to open market fluctuations of property values.

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts, ensuring that adequate financing is in place to meet the requirements of the business and setting minimum development financial appraisal targets. Contract work in progress is closely monitored to keep the risk of loss on contracts to a minimum level.

Directors

The directors who served the company during the year were as follows:

Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA MAHI (Chair)

Sean Tompkins D.Eng (Hon) ACII FIDM MIOD DiplOD

Martin Clark MCIOB MRICS

Helen Skoyles BA (Hons) CIHCM

Julian Foster MA (Hons) ACA FCT

Broadland St Benedicts Limited

Report of the directors for the year ended 31 March 2018 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small companies provision

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board



Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA MAHI
Chair

Broadland St Benedicts Limited

Independent auditor's report for the year ended 31 March 2018

Opinion

We have audited the financial statements of Broadland St Benedicts Limited for the year ended 31 March 2018 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Broadland St Benedicts Limited

Independent auditor's report for the year ended 31 March 2018 (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained during the course of the audit, we have not identified any material misstatements in the Report of the directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, to take advantage of the small companies' exemptions in preparing the Report of the directors.

Broadland St Benedicts Limited

Independent auditor's report for the year ended 31 March 2018 (*continued*)

Responsibilities of Directors

The directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Kulczycki (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered company number OC305127)

Broadland St Benedicts Limited

Profit and loss account for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover		-	-
Cost of sales		-	-
Operating costs		<u>(33,165)</u>	<u>(5,910)</u>
Operating loss		(33,165)	(5,910)
Interest receivable		217	37
Interest and financing costs		<u>(14,137)</u>	<u>-</u>
Loss before tax		(47,085)	(5,873)
Tax credit/(charge)		8,946	(1,249)
Loss for the financial year		(38,139)	(7,122)
Other comprehensive income		-	-
Loss and total comprehensive loss for the financial year		<u>(38,139)</u>	<u>(7,122)</u>

All activities relate to continuing operations.

The company has no recognised gains or losses other than the results for the year as set out above.

The accompanying accounting policies and notes form part of these financial statements.

Broadland St Benedicts Limited

Balance sheet at 31 March 2018

Company number 05734119

	Note	2018 £	2017 £
Current assets			
Stock: Housing properties for sale	1	1,894,313	-
Debtors	2	14,575	6,807
Cash at bank		109,423	64,562
		<u>2,018,311</u>	<u>71,369</u>
Creditors: amounts falling due within one year	3	(139,650)	(54,570)
Net current assets		1,878,661	16,799
Creditors: amounts falling after more than one year	4	(1,900,000)	-
Net (liabilities)/assets		<u>(21,339)</u>	<u>16,799</u>
 Capital and reserves			
Called-up equity share capital	5	1	1
Income and expenditure (deficit)/reserve		<u>(21,340)</u>	<u>16,798</u>
		<u>(21,339)</u>	<u>16,799</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 16 July 2018 and are signed on their behalf by:



Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA MAHI
Director

The accompanying accounting policies and notes form part of these financial statements.

Broadland St Benedicts Limited

Statement of changes in equity for the ended 31 March 2018

	Income and expenditure reserve (deficit) £
Balance as at 1 April 2016	23,921
Loss after taxation for the year	(7,122)
Other comprehensive income for the year	-
Balance at 31 March 2017	<u>16,799</u>
Loss after taxation for the year	(38,139)
Other comprehensive income for the year	-
Balance at 31 March 2018	<u>(21,340)</u>

The accompanying accounting policies and notes form part of these financial statements.

Broadland St Benedicts Limited

Principal accounting policies for the year ended 31 March 2018

Basis of accounting

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities.

Going concern

The Group of which the company is part has considerable financial resources and the parent company has made available a ten-year loan facility of £9.9 million to enable the company to achieve its business plan. The company has incurred a small loss in the year but expects profits in the coming year which will facilitate the repayment of loan balances to alleviate the net liabilities of £21,339 as at 31 March 2018. The directors believe that the company is well placed to manage its business risks despite the current uncertain economic outlook and on the basis of expected future profitability, have continued to use the going concern basis in preparing these financial statements.

Turnover

Turnover represents the amounts (excluding any value added tax) derived from the proceeds of completed new homes, derived entirely from the company's principal activities conducted within the United Kingdom.

Stock

Property for sale is stated at the lower of cost and net realisable value (NRV). Cost comprises third party costs (materials and labour) and direct development overheads. NRV is based on estimated sales proceeds after allowing for all further costs of completion and disposal. Partially completed or unsold stock is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of those assets to their recoverable amounts. Valuations on potential sale proceeds are obtained and used to inform this process. The company considers the NRV when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the fair value less costs to sell. Any provision for impairment subsequently made would be reversed if conditions changed.

Current Taxation

The tax charge or credit is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom where the company operates and generates taxable income. The company records a deferred tax asset where taxable losses have been incurred which are likely to be absorbed by future trading profits where there is a reasonable degree of certainty that such taxable profits will occur in the short term (generally less than 3 years).

Judgements and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the anticipated costs to complete on a development scheme based on anticipated construction costs. Profits or losses on the outturn of development schemes may arise in future accounting periods should actual experience differ from management's expectations.

Broadland St Benedicts Limited

Notes to the financial statements for year ended 31 March 2018

1	Stock: Housing properties for sale	2018	2017
		£	£
	Homes under construction	1,894,313	-
	Completed properties	-	-
		1,894,313	-
		1,894,313	-
2	Debtors	2018	2017
		£	£
	Prepayments and accrued income	5,629	5,625
	Deferred Taxation	8,946	1,182
		14,575	6,807
		14,575	6,807
3	Creditors: amounts falling due within one year	2018	2017
		£	£
	Trade Creditors	3,385	-
	Amounts owed to group undertakings	55,936	169
	Accruals	80,329	54,401
		139,650	54,570
		139,650	54,570
	The balance on accruals does not constitute a financial instrument and, accordingly, no additional disclosures are presented.		
4	Creditors: amounts falling due after more than one year	2018	2017
		£	£
	Subordinated loan	1,000,000	-
	Unsubordinated loan	900,000	-
		1,900,000	-
	Total parent company loan	1,900,000	-

The parent company loan facility of £9.9m was executed in April 2017 and has a final repayment date of April 2027. The loan is in two tranches (subordinated - £1.0m, unsubordinated £8.9m) both of which carry commercial rates of interest.

Broadland St Benedicts Limited

Notes to the financial statements for year ended 31 March 2018 (*Continued*)

5 Equity share capital

Allotted, called up and fully paid:

	2018		2017	
	No	£	No	£
Ordinary shares of £1 each	1	1	1	1

6 Parent undertaking

The parent undertaking of the company is Broadland Housing Association Limited and is the parent company of the group for which both the smallest and largest group accounts are prepared which include the results of the Company.