

Registered No: 964920

BARNARDO DEVELOPMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2018

FRIDAY



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BARNARDO DEVELOPMENTS LIMITED

Registered No. 964920

DIRECTORS

AM Cripps

JWD Pegg (resigned Dec 2017)

R Moore (appointed Dec 2017)

COMPANY SECRETARY

M Livingstone (resigned Dec 2017)

D Cunningham (appointed Dec 2017)

BANKERS

Barclays Bank plc

Level 28

1 Churchill Place

London

E14 5HP

SOLICITORS

Bates Wells & Braithwaite London LLP

2-6 Cannon Street

London

EC4H 6YH

AUDITORS

BDO LLP

2 City Place

Beehive Ring Road

Gatwick

West Sussex

RH6 0PA

REGISTERED OFFICE

Barnardo House

Tanners Lane

Barkingside

Ilford

Essex

IG6 1QG

BARNARDO DEVELOPMENTS LIMITED

STRATEGIC REPORT

Review of the business, performance and key indicators

A summary of results for the last 5 years is as follows:

Year ended 31 March:	2018	2017	2016	2015	2014
	£'000	£'000	£'000	£'000	£'000
Comprehensive Income					
Turnover	9,752	12,949	9,581	17,772	17,403
Cost of Sales	(8,857)	(9,933)	(7,079)	(13,918)	(12,539)
Administrative expenses	(128)	(82)	(69)	(64)	(64)
Interest Receivable	29	-	0	144	122
Interest Payable	(167)	(178)	(195)	(70)	(115)
Charitable Donation	(629)	(2,756)	(2,238)	(3,864)	(4,807)
GROSS PROFIT	-	-	-	-	-

Balance Sheet

FIXED ASSETS

Investment Property	914	816	-	-	-
CURRENT ASSETS					
Stocks	3,771	8,779	9,572	8,061	3,596
Debtors	621	1,111	408	317	1,674
Cash at bank and in hand	50	43	148	85	29
	5,356	10,748	10,128	8,463	5,299

Creditors - amounts falling due within one: (5,356) (10,748) (10,128) (8,463) (5,299)

NET ASSETS

-	-	-	-	-
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Performance

The company has seen a decrease in turnover due to selling less units for the final phase of the regeneration of it's Barking'side site. The cost of sales have decreased proportionally.

Reserves

No reserves are held as all profits are donated to Barnardo's.

Charitable Donation

The company will make a qualifying donation of all taxable profit to it's parent company Barnardo's, of £629,931 (2017: £2,755,503) for the year to 31 March 2018. No corporation tax liability arises in the accounts.

Principal business risks and uncertainties

The greatest risk to Barnardo Developments Ltd is the possibility of a deterioration in the housing and property market. Additional risks and uncertainties faced by Barnardo's are set out within its financial statements which can be obtained from Tanners Lane, Barking'side, Ilford, Essex IG6 IQG or Companies House.

Approved on behalf of the Board of Directors.

A M Cripps
Director



BARNARDO DEVELOPMENTS LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The company's principal activity is the development and sale of property which is surplus to requirements of its parent company, Barnardo's.

REVIEW OF THE BUSINESS AND RESULTS

The company made a profit on ordinary activities before qualifying charitable donations to Barnardo's and tax during the year of £628,931 (2017: £2,755,503). The profit represents sale of properties from the regeneration of its Barkingside site, and an adjustment to the sale of the Red House land.

With regard to the future activities of the Company, there are a number of land sites that are owned by Barnardo's that may come forward as development opportunities for Barnardo Developments Limited to pursue either as a joint venture partnership or a speculative venture where Barnardo Developments Limited takes a more proactive lead in the proposed development.

There were no dividends paid or proposed during the year.

DIRECTORS AND THEIR INTERESTS

The directors during the year were:-

AM Cripps

JWD Pegg (resigned Dec 2017)

R Moore (appointed Dec 2017)

None of the directors held any interest in the company during the year (2017-None)

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Pursuant to provisions in the Companies Act, the company has elected to dispense with the annual appointment of auditors. BDO LLP continues their appointment as the company's auditors.

BARNARDO DEVELOPMENTS LIMITED

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the strategic report, the directors' report 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 law).

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

By order of the Board



D Cunningham
Company Secretary

BARNARDO DEVELOPMENTS LTD

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BARNARDO DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Barnardo Developments Limited ("the Company") for the year ended 31 March 2018 which comprise the statement of comprehensive income, balance sheet, 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 profit 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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- 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 Report and Financial Statements, 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.

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.

Opinions 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 Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have 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 in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

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.

BARNARDO DEVELOPMENTS LTD

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

Auditor's responsibilities for the audit of the financial statements

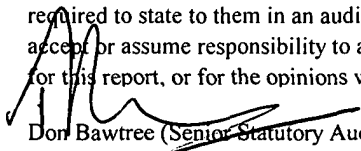
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 <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.


Don Bawtree (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date 23 July 2018

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

BARNARDO DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2018

		<u>2018</u>	<u>2017</u>
	Notes	£	£
TURNOVER	2	9,752,160	12,949,223
Cost of sales		(8,856,636)	(9,933,372)
GROSS PROFIT		<u>895,524</u>	<u>3,015,851</u>
Administration expenses		(128,627)	(82,329)
OPERATING PROFIT		<u>766,897</u>	<u>2,933,522</u>
Interest payable	6	(167,325)	(178,019)
Interest receivable	7	29,359	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		<u>628,931</u>	<u>2,755,503</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>628,931</u></u>	<u><u>2,755,503</u></u>
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>628,931</u></u>	<u><u>2,755,503</u></u>

All the company's activities are classed as continuing.

The notes on pages 10 to 13 form part of these financial statements.

BALANCE SHEET
at 31 March 2018

		<u>2018</u>	<u>2017</u>
	Notes	£	£
FIXED ASSETS			
Investment Property	8	914,356	816,000
		<u>914,356</u>	<u>816,000</u>
CURRENT ASSETS			
Stock	9	3,770,794	8,778,870
Debtors	10	620,967	1,110,526
Cash and cash equivalents		50,240	42,760
		<u>4,442,001</u>	<u>10,748,157</u>
CREDITORS - amounts falling due within one year	11	(4,856,257)	(10,748,056)
Provision	12	(500,000)	-
NET ASSETS		<u><u>100</u></u>	<u><u>100</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account		-	-
		<u><u>100</u></u>	<u><u>100</u></u>

The notes on pages 10 to 13 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 17/7/18
and were signed on its behalf by:


R Moore
Director


AM Cripps
Director

BARNARDO DEVELOPMENTS LIMITED

**Statement of Changes in Equity
As at 31st March 2018**

	Share capital	Profit and loss account	Total equity
	£	£	£
As at 1 April 2017	100	-	100
Comprehensive Income for the year			
Profit for the year	-	628,931	628,931
Total comprehensive income for the year	<u>100</u>	<u>628,931</u>	<u>629,031</u>
Contributions by and distribution to owners	-	-	-
Transfer of taxable profits via gift aid	-	(628,931)	(628,931)
Total transactions with Owners	<u>-</u>	<u>(628,931)</u>	<u>(628,931)</u>
As at 31 March 2018	<u>100</u>	<u>-</u>	<u>100</u>

**Statement of Changes in Equity
As at 31st March 2017**

	Share capital	Profit and loss account	Total equity
	£	£	£
As at 1 April 2016	100	-	100
Comprehensive Income for the year			
Profit for the year	-	2,755,503	2,755,503
Total comprehensive income for the year	<u>100</u>	<u>2,755,503</u>	<u>2,755,603</u>
Contributions by and distribution to owners	-	-	-
Transfer of taxable profits via gift aid	-	(2,755,503)	(2,755,503)
Total transactions with Owners	<u>-</u>	<u>(2,755,503)</u>	<u>(2,755,503)</u>
As at 31 March 2017	<u>100</u>	<u>-</u>	<u>100</u>

The notes on pages 10 to 13 form part of these financial statements.

BARNARDO DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2018

1. ACCOUNTING POLICIES

a Legal Status

Barnardo Developments Limited is a company limited by shares incorporated in England & Wales under the Companies Act. The address at the registered office is given on Page 1 and the nature of company's operating and its principal activities are set out in the directors' report.

b Basis of preparation of financial statements

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

c Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland";

- the requirements of Section 7 statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraph 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barnardo's as at 31 March 2018 and these financial statements may be obtained from Tanners Lane, Barkingside, Ilford, Essex IG6 1QG.

d Turnover

Turnover from property sales is recognised when the risks and rewards of owning the property has passed to the customer which is generally on completion.

e Work In Progress

Stock and work in progress represents the land value of properties under construction and completed properties held for sale and is valued at the lower of cost and net realisable value. Net realisable value is based on the Company's share of estimated income generated from the sale of properties less cost of completion and disposal. Interest associated with the funding of development works are not capitalised.

f Taxation

The company makes a qualifying donation of all taxable profits to Barnardo's. No corporation tax liability arises in the accounts.

g Investment properties

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature or condition of the specific asset. No depreciation is provided.

NOTES TO THE ACCOUNTS

Year ended 31 March 2018

h Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans, other third parties and intercompany accounts which are paid on demand.

Debt instruments, like intercompany accounts and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables are measured, initially and subsequently, at the undiscounted amount if the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised on the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BARNARDO DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2018

2	TURNOVER	2018	2017
		£	£
	Income from property sales	<u>9,752,160</u>	<u>12,949,223</u>
3	OPERATING PROFIT		
	Operating profit is stated after charging:	£	£
	Auditor's remuneration for audit work	<u>6,550</u>	<u>6,500</u>
4	EMPLOYEES		
	Excluding directors who are separately disclosed below, the company has no employees (2017:0).		
5	DIRECTORS' REMUNERATION	£	£
	Directors' emoluments during the year	<u>-</u>	<u>15,916</u>
	The emoluments are payable to one director, and include a profit share which is accounted for as a cost of sale during each development and payable following completion of the scheme.		
	All key management functions are performed by Barnardo's and as such there are no key management personnel.		
6	INTEREST PAYABLE	£	£
	Interest on intercompany balances	167,325	176,684
	Other Interest	<u>-</u>	<u>1,335</u>
		<u>167,325</u>	<u>178,019</u>
7	INTEREST RECEIVABLE	£	£
	Interest on Red House Land Sold	<u>29,359</u>	<u>-</u>
		<u>29,359</u>	<u>-</u>
8	INVESTMENT PROPERTIES	£	£
	At beginning of year	816,000	-
	Additions	98,356	816,000
	Disposals	<u>-</u>	<u>-</u>
	At end of year	<u>914,356</u>	<u>816,000</u>

Property was valued at fair value by a valuer who holds a recognised and relevant professional qualification and has recent experience on the location and class of the investment property being valued.

BARNARDO DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2018

	<u>2018</u>	<u>2017</u>
9 STOCK	£	£
Work in Progress including Land transferred from Barnardo's	<u>3,770,794</u>	<u>8,778,870</u>
10 DEBTORS	£	£
Trade debtors	-	53,867
Other debtors	<u>620,967</u>	<u>1,056,659</u>
	<u>620,967</u>	<u>1,110,526</u>
11 CREDITORS - amounts falling due within one year	£	£
Amount owed to group undertakings	4,243,413	10,184,123
Accruals	<u>612,844</u>	<u>563,933</u>
	<u>4,856,257</u>	<u>10,748,056</u>
12 PROVISION	£	£
Development provision	<u>500,000</u>	-
	<u>500,000</u>	-
The above provision relates to completion costs to be incurred in relation to a scheme in the final stages of development. The timing and exact value of this payment is not yet certain.		
13 SHARE CAPITAL	£	£
Called up and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14 ULTIMATE PARENT COMPANY

The ultimate parent company and smallest and largest group for which group accounts are published is Barnardo's, registered in England and Wales. Group accounts are available from Barnardo's, Tanners Lane, Barkingside, Ilford, Essex IG6 1QG.

15 LOAN FROM ULTIMATE PARENT UNDERTAKING

Included with the amount owed to group undertakings there is a loan of £3,614,482 (2017 £7,428,618) which is repayable on demand and secured by a fixed and floating charge over the assets of the company. Interest is charged on the balance of the loan at the end of each month at 1.5% over bank base rate (Note 6).