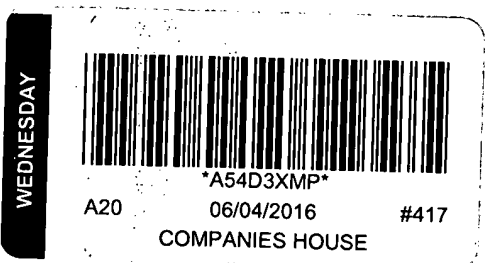


**Orwell Homes Limited**

Report and Financial Statements

Year Ended

31 December 2015



# **ORWELL HOMES LIMITED**

## **Annual report and financial statements for the year ended 31 December 2015**

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# **ORWELL HOMES LIMITED**

## **Officers and general information**

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### **Directors at the date of this report**

Ian Beaumont – Chair  
Martin Bennett ACII (resigned 29 September 2015)  
Stephen Cook FCIH  
Wendy Evans-Hendrick BA (Hons) Dip DM DMS  
Stephen Javes MBA Bsc(Hons) DMS FCIH MIEH  
Peter Jones (appointed 24 June 2015)

### **Secretary**

Christopher Wyer FCCA

### **Registered Office**

Crane Hill Lodge, 325 London Road, Ipswich, Suffolk IP2 0BE (Telephone: 01473 218818)

### **Bankers**

Lloyds TSB Bank plc, 13 Cornhill, Ipswich, Suffolk, IP1 1DG

### **Independent Auditor**

RSM UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk IP32 7FA

### **Company Number**

03337048

# **ORWELL HOMES LIMITED**

## **Report of the directors for the year ended 31 December 2015**

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The directors present their report together with the audited financial statements for the year ended 31 December 2015.

### **Principal activities**

The company's principal activities are the provision of construction services to the parent company Orwell Housing Association Limited, together with the development of residential housing, although there has not been any active residential housing development in 2015.

### **Results**

The statement of comprehensive income is set out on page 6 and shows the result for the year.

### **Directors**

The directors of the company who held office during the year were as listed on page 2.

### **Third party indemnity provision for Directors and Officers**

Qualifying third party indemnity provision is in place for the benefit of all directors and officers of the company.

### **Directors' responsibilities**

The directors are responsible for preparing the Annual 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 to enable them to ensure that the financial statements comply with the requirements of 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.

# **ORWELL HOMES LIMITED**

## **Report of the directors for the year ended 31 December 2015 (continued)**

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### **Statement as to disclosure of information to auditor**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all of the 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.

### **Going concern**

In the opinion of the Board, the company has adequate resources to continue in operation for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

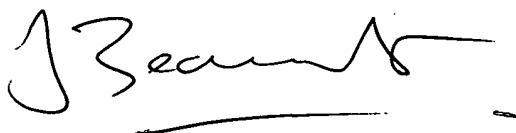
### **Auditor**

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office. A resolution to re-appoint RSM UK Audit LLP as auditors will be proposed at the Annual General Meeting.

### **Small company exemptions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

### **On behalf of the Board**



**Ian Beaumont**  
**Chair**

24 March 2016

# ORWELL HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ORWELL HOMES LIMITED

We have audited the financial statements on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

*RSM UK Audit LLP*

PETER HOWARD (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor  
Chartered Accountants

Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

24/03/16

# ORWELL HOMES LIMITED

## Statement of comprehensive income for the year ended 31 December 2015

	Note	2015 £	2014 £
<b>Turnover</b>	4	4,560,507	5,809,654
Cost of sales		(4,435,739)	(5,571,119)
Gross profit		124,768	238,535
Administrative expenses		(66,201)	(91,473)
<b>Operating profit</b>		58,567	147,062
Interest receivable	5	1,822	7,982
<b>Profit on ordinary activities before taxation</b>	6	60,389	155,044
Taxation	8	-	-
<b>Profit and total comprehensive income for the financial year</b>		60,389	155,044

The statement of comprehensive income has been prepared on the basis that operations are continuing.

The notes on pages 9 to 14 form part of these financial statements.

# ORWELL HOMES LIMITED

## Statement of changes in equity for the year ended 31 December 2015

	Share capital	Retained earning £	Total Total £
Balance at 1 January 2014	2	57,399	57,401
Total comprehensive income for the year	-	155,044	155,044
Transactions with owners: Gift aid distribution	-	(56,737)	(56,737)
Balance at 1 January 2015	2	155,706	155,708
Total comprehensive income for the year	-	60,389	60,389
Transactions with owners: Gift aid distribution	-	(155,044)	(155,044)
<b>Balance at 31 December 2015</b>	<b>2</b>	<b>61,051</b>	<b>61,053</b>

The notes on pages 9 to 14 form part of these financial statements.



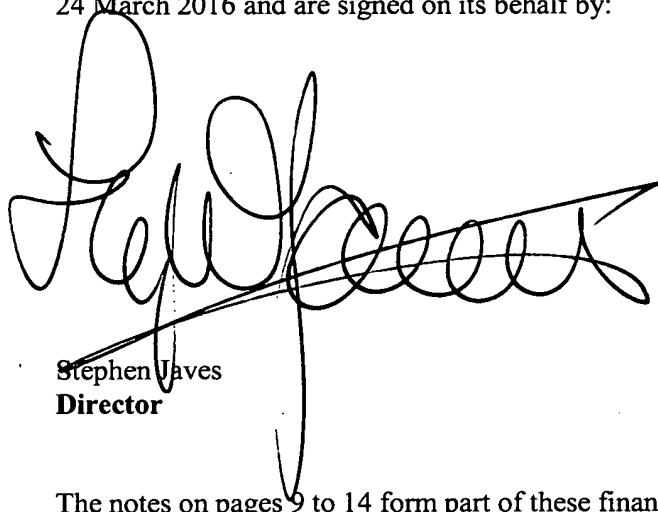
**ORWELL HOMES LIMITED****Statement of financial position at 31 December 2015**

Company No. 03337048

	Note	31 December 2015 £	31 December 2014 £
<b>Current assets</b>			
Debtors	9	224,223	879,060
Cash at bank and in hand		183,498	53,135
		<u>407,721</u>	<u>932,195</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(346,668)</u>	<u>(776,487)</u>
<b>Net assets</b>		<u>61,053</u>	<u>155,708</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	61,051	155,706
<b>Total equity</b>		<u>61,053</u>	<u>155,708</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 6 to 14 were approved by the Board of directors and authorised for issue on 24 March 2016 and are signed on its behalf by:



Stephen Javes  
Director



Ian Beaumont  
Chair

The notes on pages 9 to 14 form part of these financial statements

# ORWELL HOMES LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2015

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### 1 General information

Orwell Homes Limited is a limited company domiciled and incorporated in England and Wales.

The address of its registered office and principal place of business is Crane Hill Lodge, 325 London Road, Ipswich, Suffolk IP2 0BE.

The principal activities and nature of its operations can be found in the Directors Report on page 3.

### 2 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with FRS102 'The Financial Reporting Standard applicable in the UK and Public of Ireland' ('FRS102') and the requirements of the Companies Act 2006.

These financial statements are the first financial statements of Orwell Homes Limited prepared in accordance with financial reporting standard 102 'The financial reporting standard applicable in the UK and Republic of Ireland' (FRS102). The financial statements of Orwell Homes Limited for the year ended 31 December 2014 were prepared under previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS102.

Following adoption of FRS102, there are no transitional adjustments, therefore the 2014 comparative figures have not been restated.

#### *Going concern*

In the opinion of the Board, the company has adequate resources to continue in operation for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

#### *Turnover*

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business. Turnover is shown net of Value Added Tax. It includes goods sold and services provided to customers and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty.

#### *Construction contracts*

Where a construction contract is not yet in place, costs are recognised as incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, turnover and costs are recognised over the period of the contract.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs that are recoverable and the contract costs are expensed as incurred.

## ORWELL HOMES LIMITED

### Notes forming part of the financial statements for the year ended 31 December 2015 *(continued)*

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#### *Construction contracts (continued)*

The Company uses the “percentage of completion method” to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded for contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets, depending on their nature, and provided it is probable they will be recovered.

#### *Reduced disclosures*

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares
- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Orwell Housing Association Limited. The consolidated financial statements of Orwell Housing Association Limited are available from its registered office, Crane Hill Lodge, 325 London Road, Ipswich, IP2 0BE.

#### *Financial instruments*

The Company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### *Financial assets*

##### *Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

# ORWELL HOMES LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

### *Financial instruments (continued)*

#### ***Financial liabilities***

##### *Trade creditors*

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

### **3 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### ***Critical accounting estimates and assumptions***

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Construction contract – the outcome of a construction contract is an estimate and during the period of construction, things may come to light which have a material adverse impact on the cost.

#### ***Critical areas of judgement***

There are no critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

### **4 Turnover**

Turnover is wholly attributable revenue from construction contracts and arises solely within the United Kingdom.

### **5 Interest receivable**

	2015 £	2014 £
On bank and building society deposits	<u>1,822</u>	<u>7,982</u>

## ORWELL HOMES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

### 6 Profit on ordinary activities before taxation

	2015 £	2014 £
Profit on ordinary activities before taxation is stated after charging:		
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non audit services are as follows:		
Audit services – statutory audit of the company	2,680	2,600
<i>Other services</i>		
Taxation compliance services	1,085	1,050
Taxation advisory services	-	1,950
	<u>          </u>	<u>          </u>

### 7 Employees

The directors were the only employees of the company during the year. No amounts were paid during the period in respect of directors' emoluments and there were no related social security costs. Services were provided by certain staff of Orwell Housing Association Limited and the related costs are included in other operating expenses.

### 8 Taxation

	2015 £	2014 £
Current tax:		
UK Corporation tax on profits of current year	-	-
Adjustment in respect of prior year	-	-
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

Factors affecting tax charge for the year:

The tax assessed for the period is different to the standard rate of corporation tax for small companies of 20% (2014 – 20%) as explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	60,389	155,044
Profit on ordinary activities multiplied by the standard rate of corporation tax for small companies	12,078	31,009
Gift aid paid post year end	(12,078)	(31,009)
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

## ORWELL HOMES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

### 9 Debtors

	2015 £	2014 £
Due within one year:		
Trade debtors	4,590	-
Group company debtors	157,447	870,599
VAT recoverable	1,907	3,942
Amounts recoverable on contracts	60,279	4,519
	<u>224,223</u>	<u>879,060</u>

### 10 Creditors: amounts falling due within one year

	2015 £	2014 £
Payments on account of long term work in progress	4,944	119,112
Trade creditors	133,451	336,178
Group company creditors	14,235	11,022
Contractors for certificate work and unpaid retentions	184,934	304,691
Other creditors and accruals	9,104	5,474
	<u>346,668</u>	<u>776,487</u>

### 11 Share capital

	2015 £	2014 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

#### *Ordinary shares rights*

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

### 12 Reserves

Reserves of the company represent the following:

#### *Retained earnings*

Cumulative profit and loss net of distributions to its owners.

## ORWELL HOMES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

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### 13 Capital commitments

	2015 £	2014 £
Expenditure contracted, less certified	<u>4,619,010</u>	<u>2,952,900</u>

The above expenditure will be financed by contractual arrangements in place with the parent company.

### 14 Ultimate parent company

In the opinion of the directors, the company's immediate and ultimate holding company is Orwell Housing Association Limited, a Registered Provider and a company limited by guarantee and incorporated in England. A copy of the accounts can be obtained from the Company Secretary at the registered office noted on Page 2.