



**Financial Statements for the year ended 31 March 2021**

**Company number: 3923984**



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**Company Information**

**Directors**

Steve Parrington (Chair) – *stepping down at AGM 27.09.21*  
Paul Wilcox  
Niki Stockton  
Sasha Deepwell

**Secretary**

Nichola Shepard

**Registered Office**

Soapworks,  
Colgate Lane  
Salford  
M5 3LZ

**Bankers**

Lloyds Bank Plc  
25 Gresham Street,  
London  
EC2V 7HN

**Auditors**

BDO LLP  
6<sup>th</sup> Floor, 3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

## **STRATEGIC REPORT**

### **Strategy, objectives and business model.**

Irwell Valley (Developments) Limited (the Company) began design and build activity in July 2019 on behalf of Irwell Valley Housing Association (the Association), their parent undertaking.

The company has been re-established to act as a Design and Build Company solely for the Association.

At the end of March 2021, work had commenced on 6 approved schemes. All work costs are recharged to the Association as they are incurred in adherence to the design and build contract and the service level agreements between the two entities.

The company is not an asset bearing company other than a fixed asset investment in the Greater Manchester Joint Venture.

There is no impairment risk to the company.

### **Principal risks and uncertainties**

The risks associated with the company are reviewed regularly in conjunction with the risk matrix of the Association. These are reported to the Board of Management of the Association.

### **Performance**

The company have achieved a 0.3% net profit margin and have gift aided £24,942 to the Association before the 31 March 2021.

### **Employees**

The company do not employ any members of staff.

## **Report of the Directors**

The Directors present their report and audited Financial Statements for the year ended 31 March 2021.

### **Principal Activity**

The principal activities of the Company are the development and construction of housing. The Company has a Design and Build contract in place with Irwell Valley Housing Association Limited.

### **Directors**

The Board of Directors of the Company are set out on page 3. None of the Directors had interests in the share capital of the Company at 31 March 2021.

### **Company Membership**

The Company is a 100% owned subsidiary of Irwell Valley Housing Association Limited which is the sole (corporate) member.

### **Statement of Directors' Responsibilities for the Financial Statements**

Company law in the United Kingdom requires the Directors to prepare for each financial year of the Company, Financial Statements which give a true and fair view of the state of affairs of the Company and of the profit or loss for the year.

In preparing those Financial Statements the Directors are required to:

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

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. These enable it 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.

### **Directors Statement**

As far as the directors are aware there is no relevant audit information of which the auditors are unaware. The directors have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

### **Annual General Meeting**

The Company's annual general meeting will be held on 27<sup>th</sup> September 2021.

### **Going Concern**

The Board and Executive Team review the financial forecasts on a quarterly basis and continue to monitor the ongoing impact of the pandemic and Brexit on the development programme.

The parent, IVHA, has sufficient funds to meet IVDL's approved commitments, and these commitments are included within the overall Group Financial Plan. If the forecast development plan does not materialise or is delayed, the related cost for IVDL and IVHA will reduce accordingly and there will be no impact on the profit or loss of IVDL.

The Board have made an assessment of the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. As a result of our assessment, we consider that the company is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the company's ability to continue as a going concern.

### **Small Company Provisions**

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

Approved by the Board of Management on 20th September 2021.

Signed on their behalf by



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**Nichola Shepard, Secretary**

**Independent Auditor's Report to members of Irwell Valley (Developments) Limited**

**Opinion**

We have audited the financial statements of Irwell Valley (Developments) Limited ("the Company") for the year ended 31 March 2021 which comprise the statement of Comprehensive Income and Retained Earnings, the Statement of Financial Position and the 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 2021 and of its result 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 Directors 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report 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 in the course of the audit, we have not identified material misstatements in the 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; 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors Responsibilities, 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 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.

DocuSigned by:  
**HELEN KNOWLES**  
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**Helen Knowles (Senior Statutory Auditor)**

**For and on behalf of BDO LLP, Statutory Auditor**

**Manchester, UK**

**Date: 28 September 2021**

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

**Statement of Comprehensive Income and retained earnings**

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>2</b>	<b>9,786,841</b>	<b>6,169,494</b>
Less: Cost of sales		<u><b>(9,235,486)</b></u>	<u><b>(5,819,720)</b></u>
<b>Gross Profit</b>		<b>551,355</b>	<b>349,774</b>
Administrative expenses		<u><b>(524,055)</b></u>	<u><b>(252,489)</b></u>
<b>Profit on ordinary activities before taxation</b>		<b>27,300</b>	<b>97,285</b>
Tax on profit on ordinary activities	<b>4</b>	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<u><b>27,300</b></u>	<u><b>97,285</b></u>
<b>Retained earnings</b>			
<b>Balance at 1 April</b>		<b>4,794</b>	<b>(2,687)</b>
Total Comprehensive income for the year		<b>27,300</b>	<b>97,285</b>
Gift aid distribution		<u><b>(24,942)</b></u>	<u><b>(89,804)</b></u>
<b>Balance at 31 March</b>		<u><b>7,152</b></u>	<u><b>4,794</b></u>

The notes on pages 12 to 16 form an integral part of these Financial Statements.


All amounts relate to continuing activities. There were no recognised gains and losses other than those recorded in the profit and loss account.

**Statement of Financial Position**

	Notes	2021 £	2020 £
<b>Fixed Assets</b>			
Investments	5	<u>297,419</u>	<u>106,729</u>
<b>Current Assets</b>			
Debtors	6	537,195	296,451
Cash at bank and in hand		695,855	952,056
		<u>1,233,050</u>	<u>1,248,507</u>
<b>Creditors – Amounts falling due within one year</b>	7	<u>(1,523,217)</u>	<u>(1,350,342)</u>
<b>Total Assets Less Current Liabilities and Net Assets</b>		<u>7,252</u>	<u>4,894</u>
<b>Capital and Reserves</b>			
Share Capital	8	100	100
Profit and Loss Account		7,152	4,794
<b>Total Equity</b>		<u>7,252</u>	<u>4,894</u>

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements were approved by the Board on 20<sup>th</sup> September 2021 and signed on its behalf by:

Niki Stockton. 

.....  
Niki Stockton (Director)

.....  
Sasha Deepwell (Director)

The notes on pages 12 to 16 form an integral part of these Financial Statements.

**Company number: 3923984**

**Notes to the Financial Statements**

**1. Accounting policies**

**Company information**

Irwell Valley (Developments) Limited is a limited company domiciled and incorporated in England, it is a private company limited by shares. The registered office is Soapworks, Colgate Lane, Salford, M5 3LZ. The Company's principal activity is the construction and management of properties.

**Basis of accounting**

These financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland " ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention; the principal accounting policies adopted are set out below.

Monetary amounts in these financial statements are rounded to the nearest whole £ except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the Company.

**Reduced disclosures**

In accordance with FRS102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows'- Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial instruments' & Section 12 'Other Financial Instrument issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures'- Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Irwell Valley Housing Association. The consolidated financial statements of Irwell Valley Housing Association are available from its registered office, Soapworks, Colgate Lane, Salford, M5 3LZ.

**Going concern**

The Board and Executive Team review the financial forecasts on a quarterly basis and continue to monitor the ongoing impact of the pandemic and Brexit on the development programme.

**Irwell Valley (Developments) Limited**  
**Year ended 31 March 2021**

The parent, IVHA, has sufficient funds to meet IVDL's approved commitments, and these commitments are included within the overall Group Financial Plan. If the forecast development plan does not materialise or is delayed, the related cost for IVDL and IVHA will reduce accordingly and there will be no impact on the profit or loss of IVDL.

The Board have made an assessment of the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. As a result of our assessment, we consider that the company is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the company's ability to continue as a going concern.

### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

### **Taxation**

The tax expense represents the current tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Current tax is charged or credited in profit or loss.

### **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**

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade 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.

### **Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Trade and other 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.

### **Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **Critical 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. There is not considered to be any estimates or judgements within these financial statements that have a risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

## **2. Turnover**

Turnover relates to the development and construction of low-cost housing.

## **3. Staff and Directors remuneration**

The company does not hold any employees (2019/20: Nil)

No remuneration was paid to directors in the year (2019/20: £Nil).

## **4. Tax charge per the accounts**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax at 19.00% (PY: 19.00%)	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
<b>Deferred tax (asset)/liability not recognised</b>	<u>-</u>	<u>-</u>
 Reconciliation of tax charge		
Profit on ordinary activities before tax	<u>27,300</u>	<u>97,285</u>
Tax on profit on ordinary activities at standard CT rate of 19.00% (PY: 19.00%)	5,187	18,484
Effects of:		
Expenses not deductible for tax purposes	-	1,204
Amounts (charged)/credited directly to STRGL or otherwise transferred	(9,368)	(17,063)
Other permanent differences	11,702	706
Adjustments to tax charge in respect of previous periods - deferred tax	(7,521)	-
Adjust opening deferred tax to average rate of 19.00%	-	(351)
Deferred tax not recognised	-	(2,980)
<b>Tax charge/(credit) for the period</b>	<u>-</u>	<u>-</u>

## **5. Investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Investment in Hive Homes, Greater Manchester Joint Venture	<u>297,419</u>	<u>106,729</u>

**6. Debtors**

	2021 £	2020 £
Amounts due to group undertaking	467,578	100
Other debtors	102	1,635
Vat debtor	<u>69,514</u>	<u>294,716</u>
	<u><b>537,195</b></u>	<u><b>296,451</b></u>

**7. Creditors**

	2021 £	2020 £
Amounts due to group undertakings	696,526	1,165,360
Trade creditors	247,932	-
Accruals	<u>578,759</u>	<u>184,982</u>
	<u><b>1,523,217</b></u>	<u><b>1,350,342</b></u>

**8. Share capital and reserves**

	2021 £	2020 £
Authorised Equity Shares		
100 ordinary shares of £1 each	100	100
Allotted Equity Shares		
100 Allotted, called up and fully paid ordinary shares of £1 each – held by Irwell Valley Housing Association	100	100

**9. Related party disclosures**

As part of the design and build contract with Irwell Valley Housing Association (IVHA), Irwell Valley (Developments) Limited (IVDL) have charged a mark-up on the total scheme cost of the schemes that have started on site, this amounted to £489,397 (2019/20: £255,867) during the year included within turnover in the statement of comprehensive income.

IVHA also recharge IVDL for the costs of their services such as development team fees, finance team fees and procurement, the cost incurred amounted to £363,513 (2019/20: £229,366) included within administrative expenses.

**10. Ultimate parent and ultimate controlling party**

Irwell Valley Housing Association, a Registered Provider, is the immediate and ultimate parent of Irwell Valley (Developments) Limited. This is the smallest and largest group of undertakings for which group accounts are produced. The consolidated group accounts can be obtained from Soapworks, Colgate Lane, Salford, M5 3LZ.