

OPTIVO DEVELOPMENT SERVICES LIMITED

COMPANY NUMBER 05248824

DIRECTORS' REPORT

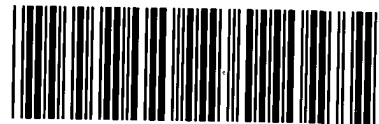
AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

WEDNESDAY



A7DUP4SP

A16

05/09/2018

#410

COMPANIES HOUSE

OPTIVO DEVELOPMENT SERVICES LIMITED

CONTENTS

	Page
Directors, officers, advisors and bankers	2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Statement of comprehensive income	7
Statement of financial position	8
Notes to the financial statements	9 - 15

OPTIVO DEVELOPMENT SERVICES LIMITED

Directors	D Lingeman (resigned 22 May 2017) K Kyriacou (appointed 14 May 2018) M Miles-Lea (appointed 22 May 2017, resigned 14 May 2018) S A Smith (appointed 21 September 2017) J K Robinson (appointed 13 December 2017) N Apetroaie (resigned 13 December 2017) I J Bacon (resigned 26 April 2017)
Secretary	A Wignall (appointed 13 December 2017) J K Robinson (appointed 7 August 2017, resigned 13 December 2017) K Tromanhauser (resigned 7 August 2017)
Registered office	Grosvenor House 125 High Street Croydon CR0 9XP
Auditor	BDO LLP 55 Baker Street London W1U 7EU
Principal solicitor	Devonshires Salisbury House London Wall London EC2M 5QY
Principal banker	Lloyds TSB Bank plc Hammersmith London W6 0JL
Registration	Private company Limited by shares Number 05248824 Incorporated in England and Wales
	A resolution to change company name from Viridian Development Services Limited to Optivo Development Services Ltd was passed on 14 May 2018

OPTIVO DEVELOPMENT SERVICES LIMITED

DIRECTORS' REPORT

The Directors submit their annual report together with the financial statements of the Company for the year ended 31 March 2018.

Optivo Development Services Limited is a private company limited by shares.

PRINCIPAL ACTIVITIES

The principal purpose of the Company is development of residential property for sale and provision of design and build services for Optivo. The Company plays an important part in the delivery of the overall Group development strategy.

PRINCIPAL RISKS AND UNCERTAINTIES

The main sources of income are design and build services and proceeds from outright sales. We have processes in place to mitigate risks relating to uncertainty in the financial markets and subsequent changing legislation as a result of Britain leaving the EU, and we rely on external advisors to continue delivering tax optimisation relating to development activities for the Group.

REVIEW OF THE BUSINESS

The Company is a subsidiary of Optivo. It continues to provide a design and build services for Optivo to achieve tax optimisation for the Group. The Directors intend these will continue to be the Company's principal activities for the foreseeable future.

The results for the year are disclosed in the statement of comprehensive income on page 6. The profit after tax for the year was £4,163,000 (*Restated 2017: £1,806,000*).

EFFECTS OF MATERIAL ESTIMATES AND JUDGEMENTS UPON PERFORMANCE

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where judgements and estimates have been made are shown in note 1 of the accounts.

EXISTENCE OF BRANCHES OF THE COMPANY OUTSIDE OF THE UNITED KINGDOM

The Company has no branches outside of the United Kingdom.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year are named on page 2.

VALUE FOR MONEY

Strategic Board and Residents' Council note our value for money (VFM) statement. Residents define offering the best VFM as spending money wisely. We balance cost with quality, customer satisfaction and meeting expectations. VFM is at the heart of our strategic goals. Our strategy is to unlock the potential of our residents, people and business with a goal to delivering greater productivity and efficiency.

Our procurement strategy sets out our route to deliver the most value from what we buy. The full VFM report is available on Optivo's website and a summary is disclosed in the Group financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing 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 prepared in accordance with UK GAAP show a true and fair view and comply with the Companies Act 2006. 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.

OPTIVO DEVELOPMENT SERVICES LIMITED

DIRECTORS' REPORT (Continued)

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 preparing this Directors' Report, advantage has been taken of the small companies' exemption.

ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS

The Directors are the ultimate governing body and are responsible for the system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives will be met. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Company's assets and interests. The Directors recognise that no system of internal control can provide absolute assurance or eliminate all risk.

The Directors delegate the ongoing review of controls to the Audit Committee and receives annual reports from the Chief Executive and the Audit Committee.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors have taken all the necessary steps to make themselves aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware.

GOING CONCERN

After reviewing the Company's budget for 2018/19 and cash forecasts for the next year, the Directors have a reasonable expectation the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

Funding for any potential new schemes will be agreed separately with Optivo.

AUDITORS

A resolution to appoint BDO LLP as the auditors will be proposed at the Optivo Annual General Meeting on 19 September 2018.

Advantage has been taken of the small companies' exemption.

APPROVAL

The Directors' Report was approved by the Board on 31 July 2018 and signed on its behalf by:

A handwritten signature in black ink, consisting of a series of connected loops and strokes, positioned above the name K Kyriacou.

K Kyriacou
Director

OPTIVO DEVELOPMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIVO DEVELOPMENT SERVICES LIMITED

We have audited the financial statements of Optivo Development Services Limited ("the Company") for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position 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 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, 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.

OPTIVO DEVELOPMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIVO DEVELOPMENT SERVICES LIMITED - continued

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 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

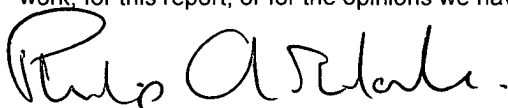
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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



Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

United Kingdom

Date

29 August 2018

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

OPTIVO DEVELOPMENT SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2018

	Notes	2018 £000	Restated 2017 £000
Turnover	2	28,866	10,399
Cost of sales	3	(24,579)	(8,079)
Administrative expenses		<u>(28)</u>	<u>(48)</u>
OPERATING PROFIT	4	4,259	2,272
Interest receivable and similar income		1	1
Interest payable and similar charges	6	<u>(97)</u>	<u>(222)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,163	2,051
Taxation	7	<u>-</u>	<u>(245)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	14	<u>4,163</u>	<u>1,806</u>

The notes on pages 9 to 15 form part of these financial statements.

OPTIVO DEVELOPMENT SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

Company number: 05248824

	Notes	2018 £000	2017 £000
CURRENT ASSETS			
Properties for sale	8	1,765	15,375
Debtors	9	7,173	1,957
Cash and cash equivalents		<u>1,777</u>	<u>1,103</u>
		10,715	18,435
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	<u>(7,085)</u>	<u>(3,305)</u>
Net current assets		<u>3,630</u>	<u>15,130</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,630	15,130
Creditors: amounts falling due after more than one year	11	<u>-</u>	<u>(11,500)</u>
		<u>3,630</u>	<u>3,630</u>
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Profit and loss account	14	<u>3,630</u>	<u>3,630</u>
		<u>3,630</u>	<u>3,630</u>

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

The financial statements were approved and authorised for issue by the Board on 31 July 2018 and signed on its behalf by:



S A Smith
Director



K Kyriacou
Director



A Wignall
Secretary

The notes on pages 9 to 15 form part of these financial statements.

OPTIVO DEVELOPMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the disclosure requirements of Section 7 "Statement of Cash Flows" – Presentation of a Statement of Cash Flow and related notes and disclosures.

The financial statements of the Company are consolidated in the financial statements of the ultimate Parent, Optivo. The Company is part of a public benefit group.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The particular accounting policies adopted are described below.

1.1. 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax

Turnover in respect of amounts receivable for sale of properties is recognised at the date of legal completion.

1.2. Interest Payable and Capitalised Interest

Interest payable is in respect of the intercompany loan facility and consists of interest payable on amounts drawn as well as a commitment fee, which is due on the undrawn amount. The interest payable and commitment fees are directly related to the development in progress and are capitalised in full.

Capitalised borrowing costs are added to the cost of properties under construction until such a time as the properties are ready for their intended use or sale.

1.3. Properties developed for sale

Outright sale properties under development are shown in the financial statements at the lower of cost and net realisable value. Cost includes land or leasehold premium purchase price, professional fees, capitalised interest and other development costs. Net realisable value is selling prices, less estimated costs to completion and costs of disposal.

1.4. Taxation

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable income and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited to Other Comprehensive Income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to Other Comprehensive Income, or equity.

1.5. 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.

1.5.1. 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.

1.5.2. Financial liabilities and equity:

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into.

Creditors

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.

OPTIVO DEVELOPMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. ACCOUNTING POLICIES (continued)

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

1.5.3. 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.

1.6. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors made the judgements to determine the appropriate allocation of development costs between different tenures.

1.7. Related Party Disclosure

The Company is not required to disclose transactions with members of the Group, headed by Optivo, due to being a "small" company under the Companies Act, which adopted "full" FRS 102. This is on the grounds that all of the voting rights in the Company are controlled within that Group and the Company is included in the consolidated financial statements.

1.8. Going concern

The Company has net assets of £3.6 million (2017: £3.6 million) at the balance sheet date.

Accordingly, the Directors continue to adopt the going concern concept in preparing these financial statements.

2. TURNOVER

Turnover arises solely within the United Kingdom.

The Company operates in accordance with the Framework Development Agreement with the Parent undertaking to provide design and build services in respect of the schemes instructed by Optivo and other entities in the group.

In addition the Company develops properties for outright sales in its own right.

	2018 £000	2017 £000
Included in Turnover are:		
Proceeds from sales of the open market rent properties	11,983	9,387
Proceed from sales of partially completed units at Golden Brick stage	6,300	-
Proceeds from sale of the development land	600	-
Income from design and build services	9,959	1,011
Other income	24	1
	28,866	10,399

Included in Other income is Commercial rental income of £17k (2017: £Nil) and ground rent income of £4k (2017: £1k) in respect of freehold ownership of residential open market rent units. The intention is to dispose the freehold ownership of Aura House site to Optivo in 2018-19.

OPTIVO DEVELOPMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2018

3. COST OF SALES

	2018 £000	2017 £000
Included in Cost of Sales are:		
Outright cost of sales (note 8)	8,293	6,334
Outright selling expenses	238	151
Sale of partially completed units at Golden Brick stage (note 8)	5,966	-
Development work in progress costs	9,839	1,005
Net Impairment of Properties for sale (note 8)	243	-
Impairment of investment properties under construction	-	589
	<u>24,579</u>	<u>8,079</u>

4. OPERATING PROFIT

	2018 £000	2017 £000
Operating profit is stated after charging:		
Auditor's remuneration:		
In their capacity as auditors	<u>3</u>	<u>5</u>

5. EMPLOYEE INFORMATION

The Company does not have any employees and the Directors received no remuneration during the year under review (2017: Nil).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest arising on loan from Parent undertaking:		
Loan balance drawn	334	956
Facilities commitment fees	-	124
	<u>334</u>	<u>1,080</u>
Interest capitalised on properties under construction	(237)	(858)
	<u>97</u>	<u>222</u>

All of the interest costs were directly attributable to the financing of development expenditure on properties for sale under construction and were capitalised at effective interest cost of the related borrowings (note 8). Capitalisation of interest stopped once properties reached practical completion stage or were sold.

OPTIVO DEVELOPMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2018 £000	2017 £000
Analysis of tax (credit)/charge for the period		
<i>Current Tax</i>		
UK corporation tax at 19.00% (2017: 20.00%)	-	-
<i>Deferred Tax</i>		
Origination and reversal of timing differences	-	231
Effect of tax rate change on opening balance	-	14
Total deferred tax charge / (credit)	-	245
Tax on profit on ordinary activities	-	245
Provision for deferred tax		
Tax losses carried forward and other deductions	-	245
<i>Movement in provision:</i>		
Asset at start of period	-	(245)
Deferred tax charged / (credited) in the Statement of Comprehensive Income for the period	-	-
Provision at end of period	-	-
Reconciliation of current tax charge		
Profit on ordinary activities before tax and Gift Aid distribution	4,163	855
Tax on profit on ordinary activities at the standard corporation tax rate of 19.00% (2017: 20.00%)	791	171
<i>Effects of:</i>		
Fixed assets differences	-	(18)
Expenses not deductible for tax purposes	-	119
Adjust closing deferred tax to average rate of 19.00% (2017: 20.00%)	-	-
Adjust opening deferred tax to average rate of 19.00% (2017: 20.00%)	(791)	(27)
Amounts otherwise transferred	-	-
Deferred tax not recognised	-	-
Current tax charge for period	-	245

The Company's corporation tax liability is £Nil (2017: £Nil) due to qualifying charitable donations being Gift Aid to the Parent undertaking.

Capital losses carried forward are £394k (2017: £394k). In addition, for the year ended 31 March 2017 trading tax losses of £1,361,000 were fully utilised offsetting profits in the period.

All of the trading losses brought forward were offset against last year's profits of the same trade.

OPTIVO DEVELOPMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2018

8. PROPERTIES FOR SALE

	UNDER CONSTRUCTION		COMPLETED		Total £000
	Commercial	Golden Brick sale	Outright sales	Commercial	
	units £000	units £000	units £000	units £000	
Cost					
At 1 April 2017	1,410	5,474	8,321	170	15,375
Additions / reappportionment of costs	29	886	(28)	5	892
Units completed	(1,439)	-	-	1,439	-
Net impairment reversal / (charge)	-	(394)	-	151	(243)
Units sold (note 3)	-	(5,966)	(8,293)	-	(14,259)
At 31 March 2018	-	-	-	1,765	1,765

All 20 remaining residential units for outright sales were sold during the year 31 March 2018 (2017: 17 units).

A new development scheme Colliers Wood was acquired by the Company in May 2017 with the intention to transfer the freehold ownership of the site at the point of achieving Golden Brick stage, achieved in January 2018.

These balances include additions of capitalised interest (note 6) at 5.36% (2017: 4.7%) of £237,000 (2017: £769,000).

9. DEBTORS

	2018 £000	2017 £000
Amounts due from Parent undertaking	6,962	969
Other debtors	211	988
	7,173	1,957

Amounts due from Parent undertaking relate to the invoices payable and accrued income in respect of design and build services where the Company develops properties upon instruction from Optivo (2017: £969,000).

Included in other debtors is the amount in respect of reclaimable VAT due from HMRC of £57,000 (2017: £132,000).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Trade creditors	1,790	723
Retention accruals	695	300
Accruals and deferred income	21	11
Amounts owed to Parent undertaking	4,579	2,271
	7,085	3,305

Included in amounts owed to Parent undertaking is £4,163,000 gift aid payment (2017: £1,196,000).

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £000	2017 £000
Loan facility with Parent undertaking	-	11,500
	-	11,500

Loan has been fully repaid on 5 January 2018.

OPTIVO DEVELOPMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

12. FINANCIAL INSTRUMENTS

	2018 £'000	2017 £'000
Financial assets measured at historic or amortised cost:		
Cash and cash equivalents	1,777	1,103
Trade and other receivables	<u>7,115</u>	<u>1,825</u>
Financial liabilities measured at amortised cost:		
Loan facility with Parent undertaking (note 11)	<u>-</u>	<u>11,500</u>
Financial liabilities measured at historic cost:		
Trade and other creditors	<u>7,078</u>	<u>3,305</u>

13. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

14. PROFIT AND LOSS ACCOUNT/MOVEMENT IN SHAREHOLDER'S FUNDS

	2018 £000	<i>Restated</i> 2017 £000
At 1 April	3,630	3,020
Profit for the year	4,163	1,806
Transactions with parent in their capacity as owners:		
Gift Aid distributions (note 16)	<u>(4,163)</u>	<u>(1,196)</u>
At 31 March	<u>3,630</u>	<u>3,630</u>

15. CAPITAL COMMITMENTS

	2018 £000	2017 £000
Contracted but not yet expended	<u>-</u>	<u>7,159</u>

The Company provides design and build services to the Parent undertaking. Under the existing arrangements the expenditure incurred by the Company is invoiced monthly.

The Company's cash flow projections indicate that sufficient resources will be available to cover the expenditure between monthly invoicing.

16. GIFT AID PAYABLE TO PARENT UNDERTAKING

	2018 £000	2017 £000
Gift aid approved by the Company's Directors	<u>4,163</u>	<u>1,196</u>

OPTIVO DEVELOPMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

17. ULTIMATE PARENT UNDERTAKING

As at 31 March 2018 the ultimate Parent undertaking was Optivo, which is incorporated in the UK and registered in England as a Co-operative and Community Benefit Society. The consolidated financial statements of Optivo are available to the public and may be obtained from the Finance Director, Optivo, Grosvenor House, 125 High Street, Croydon CR0 9XP.

18. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Optivo and has taken advantage of the exemption provided by FRS102 not to disclose transactions with the parent company or other wholly owned subsidiaries within the group. No other related party transactions have been identified. The Optivo group contains a number of entities some of which are not registered providers of social housing.