

Company number 05734119

Broadland St Benedicts Limited

Annual Report and Financial Statements

for the year ended 31 March 2023



Broadland St Benedicts Limited

Directors and advisors

Company Information

Company registration number 05734119

Registered office NCFC
South Stand
Carrow Road
Norwich
NR1 1HU

Directors Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA (Chair)
Christopher Ewbank BA MBA (Resigned 24/05/2022)
Martin Clark MCIOB MRICS
Jonathan Barber BSc (Hons) MSc MBA
Sean Tompkins D.Eng (Hons) D.Phil (Hons) ACII FIOD DipIOD
Iain Grieve BSc FCCA CMIIA
Stephen Dickinson BSc ACIOB (Appointed 24/05/2022)

Secretary Sarah Wyatt BA (Hons) MA ACG

Bankers NatWest Bank
45 London Street
Norwich
NR1 4LX

External auditors RSM UK Audit LLP
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Principal solicitors Birketts LLP
24-26 Museum Street
Ipswich
Suffolk
IP1 1HZ

Broadland St Benedicts Limited

Report and Financial Statements for the year ended 31 March 2023

Contents

Page:

3	Report of the directors
5	Independent auditor's report
9	Profit and loss account
10	Balance sheet
11	Statement of changes in equity
12	Notes to the financial statements

Broadland St Benedicts Limited

Report of the directors for the year ended 31 March 2023

The directors present their report and the financial statements of the company for the year ended 31 March 2023.

Principal activities

The principal activities of the company are property development and related services.

Business model

A number of sites are being developed for open market sale alongside affordable housing being developed by the Company's parent company. The company has in place a development framework agreement with its sister company, Broadland Development Services to facilitate the procurement requirements for these sites.

Results and dividends

There was a profit before taxation for the financial year amounting to £400,868 (2022: £1,253,606). A gift aid payment of £1,253,606 was made to the parent company in December 2022, being the cumulative profit to the year end 31 March 2022. The directors have not recommended a dividend but are proposing to make a further gift aid payment to the parent company of £417,667 during 2023, being the profit in the year to 31 March 2023 and £16,799 of historic profits not previously gifted.

Directors

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

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

Christopher Ewbank BA MBA (Resigned 24/05/2022)

Martin Clark MCIOB MRICS

Jonathan Barber BSc (Hons) MSc MBA

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

Iain Grieve BSc FCCA CMIIA

Stephen Dickinson BSc ACIOB (Appointed 24/05/2022)

Broadland St Benedicts Limited

Report of the directors for the year ended 31 March 2023 (continued)

Statement of directors' responsibilities

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

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

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

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

In so far as each of the directors is aware:

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

Small companies provision

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

On behalf of the board



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

4 July 2023

Broadland St Benedicts Limited

Independent auditor's report for the year ended 31 March 2023

Opinion

We have audited the financial statements of Broadland St Benedicts Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Broadland St Benedicts Limited

Independent auditor's report for the year ended 31 March 2023 (continued)

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' 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 exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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

Broadland St Benedicts Limited

Independent auditor's report for the year ended 31 March 2023 (continued)

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;

Broadland St Benedicts Limited

Independent auditor's report for the year ended 31 March 2023 (continued)

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and confirming with management no non-standard correspondence with local tax authorities.

No significant laws and regulations were identified that would have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

RSM UK Audit LLP

LARAGH JEANROY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk. IP33 3SB

28 July 2023

Date

Broadland St Benedicts Limited

Profit and loss account for the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover		3,002,127	8,627,959
Cost of sales		(2,413,876)	(7,104,481)
Gross profit		<u>588,251</u>	<u>1,523,478</u>
Operating costs		(154,626)	(177,391)
Operating profit	4	433,625	1,346,087
Interest receivable		4,368	77
Interest and financing costs	5	(37,125)	(92,558)
Profit before tax		400,868	1,253,606
Tax (charge)		-	-
Profit for the financial year		<u>400,868</u>	<u>1,253,606</u>
Other comprehensive income		-	-
Profit and total comprehensive income for the financial year		<u>400,868</u>	<u>1,253,606</u>

The accompanying notes form part of these financial statements.

Broadland St Benedicts Limited**Balance sheet at 31 March 2023**

Company number 05734119

	Note	2023 £	2022 £
Current assets			
Stock: Housing properties for sale	6	9,698,717	3,297,984
Trade and other debtors	7	37,522	23,358
Cash and cash equivalents		944,677	333,072
		<u>10,680,916</u>	<u>3,654,414</u>
Creditors: amounts falling due within one year	8	<u>(310,513)</u>	<u>(384,008)</u>
Net current assets		10,370,403	3,270,406
Creditors: amounts falling after more than one year	9	(9,952,735)	(2,000,000)
Net assets		<u>417,668</u>	<u>1,270,406</u>
 Capital and reserves			
Called-up equity share capital	10	1	1
Income and expenditure reserve		<u>417,667</u>	<u>1,270,405</u>
		<u>417,668</u>	<u>1,270,406</u>

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

These financial statements were approved by the directors and authorised for issue on 4 July 2023 and are signed on their behalf by:



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

The accompanying notes form part of these financial statements.

Broadland St Benedicts Limited

Statement of changes in equity for the ended 31 March 2023

	Income and expenditure reserve £
Balance as at 31 March 2021	1,672,849
Profit for the year	1,253,606
Gift aid payment to parent company	(1,656,050)
Balance at 31 March 2022	1,270,405
Profit for the year	400,868
Gift aid payment to parent company	(1,253,606)
Balance at 31 March 2023	<u>417,667</u>

The accompanying notes form part of these financial statements.

Broadland St Benedicts Limited

Notes to the financial statements for the year ended 31 March 2023

1 Legal status

Broadland St Benedicts Limited ("the company") is a private company limited by shares incorporated in England. The registered office of the company is: NCFC, South Stand, Carrow Road, Norwich. NR1 1HU.

2 Accounting policies

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Going concern

The Group of which the company is part has considerable financial resources and the parent company has made available a ten-year loan facility of £9.9m (£6.5m currently drawn) to enable the company to achieve its business plan. Further loans are in place with Lloyds for the development of eight new market sale homes at Great Hockham (£1.36m facility with £0.53m drawn) and 55 new market sale homes at Canary Quay Phase 4 (£6.5m facility with £3.01m drawn). Both of these loans have a variable interest rate applied of Bank of England rate +4.99%.

The company has generated a profit and expects development completions and profits in the coming years which will facilitate the repayment of loan balances.

In light of the above, the directors believe that the company is well placed to manage its business risks despite the current uncertain economic outlook and on the basis of expected future profitability, have continued to use the going concern basis in preparing these financial statements.

Turnover

Turnover represents the amounts (excluding any value added tax) derived from the proceeds of completed new homes and is recognised upon practical completion of the sale.

Broadland St Benedicts Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

Stock

Property for sale is stated at the lower of cost and net realisable value (NRV). Cost comprises third party costs (materials and labour) and direct development overheads. NRV is based on estimated sales proceeds after allowing for all further costs of completion and disposal. The amount of any write-down of stock to NRV is recognised as an expense in the period in which the write-down occurs. The amount of any reversal of any write-down of stock is recognised as a reduction in expenses in the period in which the reversal occurs.

Taxation

Taxation represents the sum of the current tax expense and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Gift aid payment to parent undertaking

The company pays all its taxable profits for the reporting period to its parent under the gift aid scheme. These gift aid payments are recognised as distributions to the owner in equity within retained earnings.

The company does not have a legal obligation in place at the reporting date to make the payment of its taxable profits to the parent under the gift aid scheme. Therefore, gift aid payments are only recognised in the reporting period that the payments are made. The gift aid payment for the prior reporting period was made within 9 months of the reporting date.

Broadland St Benedicts Limited

Notes to the financial statements for the year ended 31 March 2023 (*continued*)

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 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and loans from fellow group companies that are classified as debt, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Broadland St Benedicts Limited

Notes to the financial statements for the year ended 31 March 2023 *(continued)*

3 Employees

There are no direct employees of the company. Directors that also sit on the Board of the parent company are remunerated for their services by the parent company. Other non-executive directors were remunerated as follows:

	2023 £	2022 £
Amounts paid to non-executive directors	15,441	15,445

4 Operating profit

	2023 £	2022 £
The operating profit is arrived at after charging:		
Auditor's remuneration (excluding VAT)	8,400	7,700

5 Interest and financing costs

	2023 £	2022 £
Bank loans	199,056	43,521
Inter-group parent company loan	228,937	94,045
Total interest paid and payable	427,993	137,566
Interest capitalised on construction of housing properties	(390,868)	(45,008)
Total interest charged to the profit & loss account	<u>37,125</u>	<u>92,558</u>

6 Stock: Housing properties for sale

	2023 £	2022 £
Homes under construction	1,734,024	3,297,984
Completed homes for sale	7,964,693	-
	<u>9,698,717</u>	<u>3,297,984</u>

Stock includes capitalised borrowing costs of £354,881 (2022: £47,893)

Broadland St Benedicts Limited

Notes to the financial statements for year ended 31 March 2023 (continued)

7 Debtors

	2023 £	2022 £
VAT recoverable	12,360	5,235
Amounts due from group undertakings	25,162	-
Prepayments and accrued income	-	18,123
	<u>37,522</u>	<u>23,358</u>

8 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	13,563	4,410
Deposits held against future sales	3,500	5,960
Amounts owed to group undertakings	247,105	362,461
Accruals	46,345	11,177
	<u>310,513</u>	<u>384,008</u>

9 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Subordinated loan	1,000,000	1,000,000
Unsubordinated loan	5,500,000	1,000,000
Total parent company loan	<u>6,500,000</u>	<u>2,000,000</u>
Bank loan	3,452,735	-
Total loans	<u>9,952,735</u>	<u>2,000,000</u>

The parent company loan facility of £9.9m was executed in April 2017 and has a final repayment date of April 2027. The loan is in two tranches (subordinated - £1.0m, unsubordinated £8.9m) both of which carry commercial rates of interest. Security in the form of a first charge over the fixed assets of the company has been given in respect of this inter-company loan of £6,500,000 (2022: £2,000,000).

Further loans are in place with Lloyds for the development of eight new market sale homes at Great Hockham (£1.36m facility with £0.53m drawn) and 55 new market sale homes at Canary Quay Phase 4 (£6.5m facility with £3.01m drawn). Both of these loans have a variable interest rate applied of Bank of England rate +4.99%.

Broadland St Benedicts Limited

Notes to the financial statements for year ended 31 March 2023 (*continued*)

10 Equity share capital

Allotted, called up and fully paid:

	No	2023 £	No	2022 £
Ordinary shares of £1 each	1	1	1	1

11 Capital commitments

	2023 £	2022 £
Commitments contracted but not provided for: Development	1,688,567	12,440,563
Commitments approved by the Board but not contracted for: Development	14,211,439	14,211,439
	15,900,006	26,652,002

These capital commitments will be financed through the facilities disclosed in note 9. The Company has no other financial commitments, guarantees or contingencies other than those disclosed by the balance sheet and in this note.

12 Parent undertaking

The parent undertaking of the company is Broadland Housing Association Limited and is the parent company of the group for which both the smallest and largest group accounts are prepared which include the results of the Company. Broadland Housing Association's registered office is: NCFC, South Stand, Carrow Road, Norwich. NR1 1HU.