BROMFORD DEVELOPMENTS LIMITED

Financial Statements

for the year ended 31 March 2023

Company Registration Number 6507824

Bromford.

Bromford Developments Limited

General information
For the year ended 31 March 2023

Contents

Bromford Developments Limited

General information
For the year ended 31 March 2023

The directors and their interests in the shares of the company

The directors who served from 1 April 2022 up to the date of approval of these financial statements were as follows:

Directors
Martyn Blackman
Richard Bird
Paul Walsh

Company Secretary:

Sarah Beal

There is only one issued share in the Company, which is held by Bromford Housing Group Limited.

Advisors:

External Auditors:

Beever and Struthers
The Colmore Building
20 Colmore Circus Queensway,
Birmingham, B4 6AT

Business Assurance Provider:

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol BS2 0FR

Bankers:

Barclays Bank plc
15 Colmore Row
Birmingham
B3 2BH

Taxation Advisor:

Deloitte LLP
Four Brindley Place
Birmingham
B1 2HZ

Registered office:

Shannon Way
Ashchurch
Tewkesbury
GL20 8ND

Bromford Developments Limited
The Directors' Report
For the year end 31 March 2023

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2023.

Principal activities

Bromford Developments Limited (BDL or the Company) is a wholly owned subsidiary of Bromford Housing Group Limited (BHG.)

BDL's principal activities are the development and construction of homes for other Group members, primarily Bromford Housing Association (BHA) and Bromford Home Ownership Limited (BHO) which are registered social housing providers within the Group. Our aim is to build high quality homes, which offer real value for money, whilst maintaining a focus on delivering great customer service.

BHG's motivation in establishing BDL was to achieve better quality construction at an improved cost. Many of the colleagues working for BDL have private sector experience, having worked for housing developers, contractors or construction companies. This commercial insight and expertise has been highly beneficial and has enabled BDL to establish networks of suppliers and contractors which combine value for money and a quality product. As a result, BDL continues to meet the objectives set out for it at inception. BDL engages the services of local sub-contractors which provide opportunity and benefits for the communities in which we operate.

Result for the year and dividends

The profit for the year after tax was £0.2m (2022: loss £0.5m). The directors do not recommend the payment of a dividend.

Going concern

In preparing the accounts, the directors have reviewed BDL's financial plan for 2023 to 2024 and are of the opinion that the group and company have adequate resources to continue in business for the foreseeable future. The plan is dependent on BHG continuing to provide financial support during that period. The company has net current and total liabilities of £2.2m (2022: £2.4m), this is due to intergroup loans of £13.5m (2022: £5.8m) owed to BHG which are repayable on demand. BHG has indicated that it is not expecting to request repayment in the next twelve months and it will not request repayment of the loan if it means that that the company is unable to pay its creditors as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on pages 10 to 18 on a going concern basis.

Bromford Developments Limited
The Directors' Report
For the year end 31 March 2023

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Information for Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- They have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Appointment of Auditors

Beever and Struthers have indicated their willingness to continue in office and, following a review of effectiveness by the Group's Audit and Risk Committee, will be proposed for re-appointment in accordance with the Companies Act 2006 s.485.

This report was approved for issue by the Board of directors on 25 July 2023 and signed on its behalf by:

MBlack ....

Martyn Blackman
Director

Bromford Developments Limited
Strategic Report
For the year ended 31 March 2023

Business review

BDL had a positive year in 2022 to 2023 in terms of turnover and profit, despite a challenging year across the supply chain from rising material costs, fixed price challenges with subcontractors and disruptions to deliveries. Even with multiple challenges BDL won a 2022 NHBC pride in the job award for Grange Park in Telford for a consistent approach to quality, care and detail to new homes built as well as Young Builder of the Year Awards 2022 in recognition of exceptional progress whilst undertaking vocational training and entering employment in construction.

Turnover was £38.6m (2022: £39.2m), delivering a profit before tax of £0.2m (2022: £0.5m loss). BDL delivered 232 new homes (2022: 252) and worked across 12 sites and started 3 new sites, one of which was a modern method of construction (MMC) site. The value of stock and work in progress as at 31 March 2023 was £18.4m (2022: £5.8m) due to an increase in the land stock for future delivery of homes.

BDL has focussed on managing its supply chain and controlling its costs in the year and has been pro-active in looking at 2023 to 2024 to ensure that price inflation has been factored into build costs. It has also developed and implemented its Health & Safety plan for 2023 to 2024 which includes aspects such as continuous improvement. At the same time BDL also imbedded it's new standard house types and Bromford brand. All of which sets us up for what should be another strong and exciting year.

Principal risks and uncertainties

The company is exposed to the principal risks and uncertainties as set out below. Key risks are determined by the board and appetite and tolerances set. The risks and indicators are monitored regularly by the board. Business risks are monitored for emerging threats and operational trends.

Below we set out the principal risks:

Health and safety		Direction of travel: Stable	Link to Strategy: Homes that enable
Risk	Our approach to health and safety lacks robust controls and oversight This results in death, injury or harm caused to colleagues, customers, contractors or members of the public.		
Mitigation strategies		**Changes in year**	
• Health and safety management systems follow the concepts of ISO 45001, with regular reporting and oversight across dedicated business groups and board and independent assurance sought from technical experts through the year.		• Move to new provider Safety Services UK (SSUK), adopting a coaching and mentoring approach with our onsite colleagues, supporting us to maintain standards. • Onboarded dedicated first line inspector.	

People		Direction of travel: Improving	Link to Strategy: Enabling colleagues
Risk	A lack of skilled colleagues who are thriving in their role will impact our ability to achieve our objectives. This may be due to a failure to recruit, retain and/or motivate engaged colleagues.		
Mitigation strategies		**Changes in year**	
• A clear strategy with values-based recruitment and embedding of our DNA ensures we retain and attract colleagues aligned to our purpose, with data and insight on *recruitment, leavers movers and our engagement survey* tracked in year.		• Expanded the leadership development programme to all colleagues in leadership positions (L250). • Excellent progress made this year to recruit a number of key positions in a challenging market. • BDL offer a separate construction bonus scheme linked to performance to site colleagues in order to remain competitive in recruitment, retention and motivation with commercial organisations.	

Financial Planning and Performance		Direction of travel: Stable	Link to Strategy: Future ready
Risk	Our financial and resilience planning and/or monitoring fails to mitigate substantial macro-economic or political events.		
Mitigation strategies		Changes in year	
• Robust financial planning, stress testing scenarios and resilience plans are in place, incorporating plausible macro-economic and political impacts, with close tracking at forum and Board.		• Frequent revision of the 30 year plan to understand the impacts of risks to our long term business model. • Ongoing assessment and monitoring of impact of inflation and interest rate changes. • Moody's confirmed our credit rating as A2. • Standard & Poor's confirmed as A+. • Moody's ESG credit impact score confirmed as CIS-2 Neutral to Low.	

Third Party / Supply Chain		Direction of travel: Stable	Link to Strategy: Future ready
Risk	Our selection, management and monitoring of partners fails to ensure programme objectives are met.		
Mitigation strategies		Changes in year	
• Comprehensive frameworks overseen by an independent specialised team, with regular tracking and reporting through forum and board.		• Increased monitoring and reporting to board including inflation forecasts across the life of all projects. • Quantity surveyors and buyers are working closely with key suppliers to develop relationships and formalise contract management approach.	

Macro-economic uncertainty		Direction of travel: Worsening	Link to Strategy: Growing the business
Risk	Macroeconomic factors affecting the housing market impact the viability of existing schemes.		
Mitigation strategies		Changes in year	
• Business programme and our thresholds are kept under continual review by monitoring markets and with oversight and monitoring through board. • Effective operation of horizon scanning to ensure visibility of economic changes.		• BDL strategy day held to ensure strategy considers and responds to macro-economic conditions. • Various financial scenarios are tested, with exit strategies and options to amend tenures understood to ensure value for money outcomes achieved. • Controls and reporting in place give good visibility and understanding of changes in the market, for example increases in build costs, land etc. There are however various economic changes being experienced currently including inflation, interest rates, energy volatility which impact customers looking to purchase new homes.	

Quality construction		Direction of travel: Improving	Link to Strategy: Our relationship with customers
Risk	A lack of governance and assurance results in poor quality homes which fail to meet the needs of customers.		
Mitigation strategies		Changes in year	
• Clear standards are outlined, subject to independent inspections throughout the life of the build, with comprehensive audits prior to handover and reporting through to forum and board.		• Work on the Home Standard and standard house types and specifications will enable a consistent approach to quality and drive further efficiencies. • BDL quality scores are continually improving and the inspection and hand over process is improving all the time. • Modern Methods of Construction partner selected post tender exercise, ensuring diversity and innovation across our construction methods.	

Emerging risks

In addition to the principal risks monitored by the board, the business monitor operational risks which are reported through the governance channels to highlight new and growing threats. The company has a dependency on third parties and counterparties to deliver our strategic objectives. The last twelve months has been particularly challenging- double digit levels of inflation, increasing interest rates, a cost of living crisis and a growing focus on sustainability. We have seen challenges across partner providers and specifically our supply chain. Whilst mitigations have ensured no disruption to services to date, we expect the impacts to continue into 2023 to 2024. This is being monitored as a 'material operational risk' by board.

Future Developments

BDL is budgeted to start 5 new sites in 2023 to 2024 delivering 152 homes. There are also further opportunities which could be started subject to planning approval. The biggest risk as always to achieving a start on site is planning and delays in this may impact turnover and surplus for the year. Outside of this inflation remains the largest risk to margins. Beyond 2023 to 2024 the largest risk remains maintaining a pipeline of delivery which involves identifying the right opportunities for land.

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in sterling, with minimal foreign currency transactions.

On behalf of the Board

Martyn Blackman
Director

25 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROMFORD DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Bromford Developments Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies in note 1. 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 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

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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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.

Responsibilities of Directors

As explained more fully 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, 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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006 and tax legislation.
- We enquired of the directors and reviewed correspondence and directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of the audit 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.

Beever and Struthers

Lee Cartwright (Senior Statutory Auditor)
For and on behalf of Beever and Struthers Chartered Accountants, Statutory Auditor
The Colmore Building
20 Colmore Circus Queensway,
Birmingham, B4 6AT

Date: 31 July 2023

Bromford Developments Limited

Statement of Comprehensive Income
For the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover		**38,640,907**	39,180,989
Cost of sales		**(38,002,071)**	(39,327,645)
Operating costs		**(436,133)**	(390,599)
Operating profit/(loss)	2	**202,703**	(537,255)
Interest and financing costs	3	**-**	-
Profit/(loss) on ordinary activities before tax		**202,703**	(537,255)
Taxation	6	**-**	-
Profit/(loss) for the year after taxation		**202,703**	(537,255)
Total comprehensive income for the year		**202,703**	(537,255)

The company's results relate wholly to continuing activities.

The notes on pages 13 to 18 form an integral part of these financial statements.

Bromford Developments Limited

Statement of Financial Position
As at 31 March 2023

	Notes	2023 £	2022 £
Current Assets			
Stocks	7	18,431,842	5,758,265
Trade and other debtors : receivable within one year	8	7,026,465	11,031,141
Cash and cash equivalents		7,373,945	5,909,939
		32,832,252	22,699,345
Creditors: Amounts falling due within one year	9	(35,021,853)	(25,091,649)
Net current liabilities		(2,189,601)	(2,392,304)
Total assets less current liabilities		(2,189,601)	(2,392,304)
Creditors - Amounts falling due after more than one year		-	-
Total net liabilities		(2,189,601)	(2,392,304)
Reserves			
Called up share capital	10	1	1
Profit and loss account		(2,189,602)	(2,392,305)
Deficit on Shareholder's funds		(2,189,601)	(2,392,304)

The notes on pages 13 to 18 form an integral part of these financial statements.

These financial statements were approved by the Board of directors and authorised for issue on 25 July 2023 and are signed on behalf of the Board by

Martyn Blackman
Director

Company Registration number 6507824

Bromford Developments Limited
For the year end 31 March 2023
Statement of Changes in Equity

	Share capital	Profit and loss account	Total
	£	£	£
Balance at 1 April 2021	1	(1,855,050)	**(1,855,049)**
Deficit from Statement of Comprehensive Income	-	(537,255)	**(537,255)**
Balance at 31 March 2022	1	(2,392,305)	**(2,392,304)**
Deficit from Statement of Comprehensive Income	-	202,703	**202,703**
Balance at 31 March 2023	**1**	**(2,189,602)**	**(2,189,601)**

The notes on pages 13 to 18 form an integral part of these financial statements.

Bromford Developments Limited

Notes to the Financial Statements
For the year ended 31 March 2023

Legal status
Bromford Developments Limited is incorporated in England under the Companies Act 2006 company number 6507824. The registered office is Shannon Way, Ashchurch, Tewkesbury, GL20 8ND.

1. **Accounting policies**

Basis of accounting

These financial statements have been prepared in compliance with FRS 102 – The Financial Reporting Standard applicable in the UK.

The financial statements comply with the Companies Act 2006. The accounts are prepared on the historical cost basis of accounting and are presented in GBP sterling.

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bromford Housing Group Limited as at 31 March 2023 and these financial statements can be obtained from the website www.bromford.co.uk.

Going concern
In preparing the accounts, the directors have reviewed BDL's financial plan for 2023 to 2024 and are of the opinion that the group and company have adequate resources to continue in business for the foreseeable future. The plan is dependent on Bromford Housing Group Limited continuing to provide financial support during that period. The company has net current and total liabilities of £2,189,601 (2022: £2,392,304), this is due to intergroup loans of £13,487,514 (2022: £5,759,627) owed to Bromford Housing Group which are repayable on demand. Bromford Housing Group Limited has indicated that it is not expecting to request repayment in the next twelve months and it will not request repayment of the loan if it means that that the company is unable to pay its creditors as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover
Turnover represents income receivable from construction activities supplied by the company in the year, net of value added tax.

Notes to the Financial Statements
For the year ended 31 March 2023

Taxation

The tax expense for the period comprises current tax. Tax is recognised in the Statement of Comprehensive Income, except that where a tax change arises as a result of an item recognised as other comprehensive income or recognised directly in equity. In such cases, the tax charge is also recognised in other comprehensive income or directly in equity as appropriate.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Work in progress and long term contracts

Long term contracts have been assessed on a contract by contract basis and reflected in the Statement of Comprehensive Income by recording turnover and related costs as contract activity progresses i.e. the percentage completion method.

Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit less foreseeable losses has been recognised in the Statement of Comprehensive Income as the difference between the reported turnover and related costs for the contract.

The amount of long term contracts as costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in work in progress and stock as long term contract balances. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long term contracts. Payments in excess of recorded turnover and long term contract balances are included in creditors as payments received on account on long term contracts. The amount by which provisions or accruals for foreseeable losses exceed costs incurred, after transfers to cost of sales, is included within either provisions for liabilities or creditors as appropriate.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank overdrafts that are repayable on demand. In the Statement of Financial Position overdrafts are shown within borrowings or current liabilities.

Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through the Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial instruments held are classified as follows:

Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest rate method.

Notes to the Financial Statements
For the year ended 31 March 2023

Defined contribution pensions

The parent company provides a defined contribution stakeholder pension scheme for employees. The employer contribution to the scheme is charged to the Statement of Comprehensive Income as it becomes payable. The assets of the scheme are kept separately from those of the company.

2. Operating profit/(loss)

The operating profit/(loss) on ordinary activities is stated after charging	2023	2022
	£	£
Current auditors' remuneration		
- Audit of financial statements	11,000	10,000

3. Interest payable and similar charges	2023	2022
	£	£
Interest on loans, overdrafts and other financing		
On loans from Bromford Housing Group Limited	669,624	198,419
Interest payable capitalised on housing properties under construction 3.55% (2022: 3.74%)	(669,624)	(198,419)
	-	-

4. Colleague costs

	2023	2022
	£	£
Wages and salaries	1,908,815	1,764,594
Social security costs	234,570	227,376
Other pension costs	127,714	117,736
	2,271,099	2,109,706

The average number of full-time equivalent employees employed during the year

	2023	2022
	No.	No.
Construction	38	39

A full-time equivalent employee is classed as working a 37.5 hour week.

The details above relate to colleagues directly attributable to Bromford Development Limited. Colleagues in the Bromford Housing Group are employed on a joint and several basis by Bromford Housing Group Limited and its members.

5. Directors' emoluments

Emoluments to directors are paid through Bromford Housing Group Limited and are disclosed in the Bromford Housing group accounts.

No directors' emoluments are charged to the company.

6. Taxation on profit/(loss) on ordinary activities	**2023**	2022
	£	£
Current tax		
UK corporation tax credit on ordinary activities	-	-
Under provision in previous years	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	-	-
Total tax reconciliation		
Profit/(loss) on ordinary activities	**202,703**	(537,255)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	**38,514**	(102,078)
Effects of		
Movement in unrecognised deferred tax	**(38,514)**	102,078
	-	-

7. Stocks and work in progress	**2023**	2022
	£	£
Land	**14,514,025**	3,091,692
Work in progress	**3,917,817**	2,666,573
	18,431,842	5,758,265

8. Trade and other debtors

	2023	2022
	£	£
Amounts falling due within one year		
Amounts due from group companies	**4,324,168**	8,904,123
Corporation tax	**-**	-
Other debtors	**2,679,909**	2,110,116
Prepayments and accrued income	**22,388**	16,902
	7,026,465	11,031,141

9. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	**1,455,870**	1,698,747
Amounts due to group companies	**31,578,346**	20,443,426
Accruals and deferred income	**1,987,637**	2,949,476
	35,021,853	25,091,649

Undrawn, committed borrowing facilities at 31 March were as follows

	2023	2023
	£	£
Expiring after five years	**11,512,486**	19,240,373

The £11,512,486 (2022: £19,240,373) undrawn, committed borrowing facilities are currently secured by way of a floating charge.

Amounts due to and from group companies include non-interest bearing trading balances and interest bearing loans which are all repayable on demand.

10. Share Capital

	2023	2022
	£	£
Issued and fully paid		
At 1 April and 31 March (1 ordinary share of £1 each)	**1**	1

The share entitles the member to a vote and they can appoint a proxy in their absence, there are no rights to a dividend. The share is under the control of the directors and they may allot, grant options over or dispose of any unissued shares of the company. On a winding up the assets are allocated to the member.

11. Related party transactions

The company has taken advantage of the exemption provided by s33.1A of FRS102 not to disclose related party transactions with other group companies.

Bromford Housing Group Limited and its subsidiaries has indemnified its board members, executive team, directors and employees for insurance cover no longer provided within its current directors' and officers' liability insurance for the year ending 31 March 2023 which was included in its previous policy. The maximum exposure across the group for this indemnity is £10 million and expires on 31 March 2024. This is described in more detail in note 12.

12. Contingent liability

A deed has been entered into by the board members of Bromford Housing Group Limited to indemnify its board members, executive team, directors and employees across Bromford Housing Group Limited and its subsidiaries for insurance cover no longer provided within its current directors' and officers' liability insurance policy. Any claim made would be against the relevant entity with ultimate responsibility for reimbursement being through Bromford Housing Group Limited where required. The maximum exposure across the group for this indemnity is £10 million and it expires on 31 March 2024.

13. Parent entity

The company's ultimate parent undertaking and controlling party is Bromford Housing Group Limited (Registered Society Number 29996R).

The results of Bromford Developments Limited are included in the results of Bromford Housing Group Limited. Copies of the financial statements for Bromford Housing Group Limited are available from the website www.bromford.co.uk.