

REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2018
FOR
HELP FOR HEROES DEVELOPMENT COMPANY LTD



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2018**

	Page
Company Information	1
Report of the Directors	2
Independent Auditor's Report	4
Income Statement	6
Statement of Financial Position	7
Notes to the Financial Statements	8

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2018

DIRECTORS:	C Emerson FCA M Waters OBE C M Lake CBE
SECRETARY:	Wilsons (Company Secretaries) Limited Alexandra House St Johns Street Salisbury SP1 2SB
REGISTERED OFFICE:	14 Parkers Close Downton Business Centre Downton Salisbury Wiltshire SP5 3RB
REGISTERED NUMBER:	07464349 (England and Wales)
AUDITORS:	Crowe U.K. LLP 10 Salisbury Square London EC4Y 8EH
BANKERS:	Barclays Bank Plc Ringwood Area Branches Southampton Hampshire SO14 2BY

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

The directors present their report with the financial statements of the company for the year ended 30 September 2018.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company in the year under review was that of the construction of recovery centres. The recovery centres are operated by Help for Heroes. During the year construction has continued at the Rehabilitation and Recovery Centre at HQ Hereford Garrison. No further construction activity is envisaged for the forthcoming financial year.

DIRECTORS

The directors who have held office during the year and to the date of this report are as follows:

A J Scott-Barrett (resigned 11 November 2017)
C Emerson FCA
M Waters OBE
C M Lake CBE (appointed 11 November 2017)

GROUP AND RELATED PARTIES

The company is a wholly owned subsidiary of the charitable company, Help for Heroes, and has been used for the construction of the Tedworth House, Catterick, Plymouth and Hereford Rehabilitation and Recovery Centres. The assets constructed were sold to Help for Heroes under development agreements between Help for Heroes and the Development Company. Profits from the construction during the year are gifted up to Help for Heroes.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

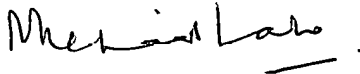
So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Crowe U.K. LLP, appointed as auditor on 1 August 2016, have expressed their willingness to be reappointed as statutory auditor in accordance with Section 485 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Michael Lake', with a horizontal line underneath.

C M Lake – Director

Date: 31 January 2019

Independent Auditor's Report to the Members of Help for Heroes Development Company Limited**Opinion**

We have audited the financial statements of Help for Heroes Development Company Limited for the year ended 30 September 2018 which comprise the Income Statement, the 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 30 September 2018 and of its loss 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

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 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 by the company, 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 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.

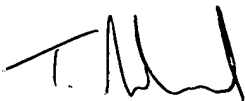
Auditor's responsibilities for the audit of the financial statements

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 on the Financial Reporting Council's website at: 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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 31 January 2018

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £'000	2017 £'000
TURNOVER		3,637	1,845
Cost of sales		(3,514)	(1,782)
		<hr/>	<hr/>
GROSS PROFIT		123	63
Administrative expenses		(6)	(9)
		<hr/>	<hr/>
OPERATING PROFIT	2	117	54
Interest receivable		1	-
Gift to Help for Heroes		(119)	(53)
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1)	1
Tax on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE YEAR AFTER TAXATION		(1)	1
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 8 to 10 form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2018

	Notes	2018 £'000	2017 £'000
CURRENT ASSETS			
Debtors	4	16	278
Cash at bank		221	567
		<u>237</u>	<u>845</u>
CREDITORS			
Amounts falling due within one year	5	(237)	(844)
		<u>-</u>	<u>1</u>
NET CURRENT ASSETS		<u>-</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital		-	-
Profit and loss account		-	1
		<u>-</u>	<u>1</u>
SHAREHOLDERS' FUNDS		<u>-</u>	<u>1</u>

These accounts have been prepared in accordance with the provisions of the small companies' regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2019 and were signed on its behalf by:



C M Lake - Director

The notes on pages 8 to 10 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. **ACCOUNTING POLICIES**

Company information

Help for Heroes Development Company Limited is a private company limited by shares (registered number 07464349) which is incorporated and registered in England. The address of the registered office is 14 Parkers Close, Downton Business Centre, Downton, Salisbury, SP5 3RB.

Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, as applicable to small entities.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover

Turnover represents the amounts receivable from Help for Heroes in payment for the asset being constructed. Income from the construction of the recovery centres is recognised in line with the completion of associated build work. Amounts invoiced in advance of the completion of the associated work are shown as deferred income.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Additionally all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2018**2. OPERATING PROFIT**

The operating profit is stated after charging:

	2018 £'000	2017 £'000
Auditor's remuneration		
Audit services	3	3
Non audit services	2	-
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

No directors received remuneration through the company in the year. M Waters and C Emerson were paid by the parent charity Help for Heroes for their roles as Chief Executive Officer and Chief Financial Officer respectively.

3. TAXATION**Analysis of the tax charge**

The company makes a qualifying donation of all taxable profits to Help for Heroes. No corporation tax liability arises in the accounts.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Amounts owed by group undertakings	-	116
Other debtors	16	162
	<hr/>	<hr/>
	16	278
	<hr/>	<hr/>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	-	32
Amounts owed to group undertakings	43	-
Accruals and deferred income	194	812
	<hr/>	<hr/>
	237	844
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2018

6. ULTIMATE CONTROLLING PARTY

The company's parent company and ultimate controlling party is Help for Heroes, a company limited by guarantee and registered in England. Its registered address is 14 Parker's Close, Downton Business Centre, Downton, SP5 3RB. It is the only company in the group to publish consolidated financial statements, copies of which may be obtained from the group's website at www.helpforheroes.org.uk.

7. FINANCIAL OBLIGATIONS

The Company had a financial commitment of £nil at 30 September 2018 (2017: £2.88m) to complete works underway at that date. Funding of this commitment was guaranteed by Help for Heroes in accordance with the agreement between the company and Help for Heroes for the development of the Rehabilitation and Recovery Centre at HQ Hereford Garrison.