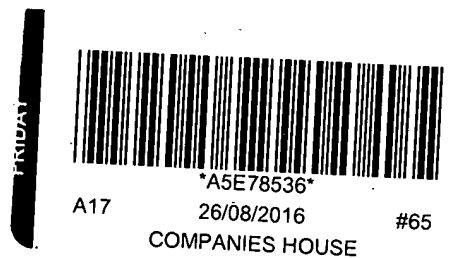


**AmicusHorizon Finance plc**

**Financial Statements for the year ended 31 March 2016**

Company number: 7933814



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# **AmicusHorizon Finance plc**

## **Directors, Advisers and registered office**

### **Directors**

David Clifford  
Paul Hackett  
Sarah Smith  
Tom Paul

### **Secretary**

Jo Robinson

## **Advisers**

### **Bankers**

Barclays Bank  
1 Churchill Place  
Canary Wharf  
London E14 5HP

### **Auditors**

BDO LLP  
55 Baker Street  
London W1U 7EU

### **Solicitors**

Devonshires  
30 Finsbury Circus  
London  
EC2M 7DT

### **Registered office**

Grosvenor House  
125 High Street  
Croydon CR0 9XP

## **AmicusHorizon Finance plc**

### **Report of the Board of Management**

Management presents its report and audited financial statements for AmicusHorizon Finance plc (AHF) for the year ended 31 March 2016.

#### **Principal Activities and review of the business**

AHF was incorporated on 2 February 2012. AHF is a wholly owned subsidiary of AmicusHorizon Limited (AHL). AHF is a special purpose funding vehicle, used to secure funding for the AmicusHorizon Group. AHF obtains finance directly from capital markets and on-lends to AHL. AHL is a charitable registered provider of social housing.

On 13 March 2012 AHF issued a £150m bond and £50m was repurchased on the same day, for future issuance. This bond issue was raised to help fund the development of new homes due to complete by 2015, and refinancing of existing loans. There was a £1.7m discount on issue which is being written off over the life of the loan. The coupon on the bond is 5.25%. At issue the yield was 5.362%. AHF therefore received £98.3m and on-lent this to AHL. During 2013/14 the retained £50m was issued. At issue the yield was 4.681%. There was a £4.5m premium on issue which is being released over the life of the loan on an effective interest basis.

#### **Statement of the Board's financial responsibilities**

The Directors are responsible for preparing 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 applicable law and FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements are required by law to 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 judgments 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.

**Report of the Board of Management (continued)**

**Statement of the Board's financial responsibilities (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.

**Post balance sheet events**

There are no post balance sheet events.

**Existence of branches of the company outside of the United Kingdom**

The company has no branches outside of the United Kingdom.

**Qualifying third party indemnity provisions**

The company has no qualifying third party indemnity provisions in place for the directors of AmicusHorizon Limited – Registered Social Housing Provider.

**Dividends**

No dividends were recommended during the current or prior year.

**Annual general meeting**

A resolution to re-appoint BDO LLP as auditors for the ensuing year will be proposed at the Annual General Meeting on 19 September 2016.

**Disclosure of information to auditors**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish the Company's auditors are aware of that information

By order of the Board



David Clifford  
Director  
2 August 2016

**Strategic report**

**Financial position at the year end**

The profit and loss account shows a profit of £38k for the year (2015: £4,590k profit).

**Principal risks and uncertainties**

As AHF on lends to AHL, the main risk facing AHF is AHL being unable to make its interest or principal payments when they fall due. The risk is mitigated because the on lent funding to AHL is under a secured loan agreement, backed by housing assets owned by AHL. If there are any payments not made to AHF, it has the right to enforce the security under the loan.

A contribution to the assessment of the scale of risk is Moody's Investor Services credit rating of A2.

**Employees**

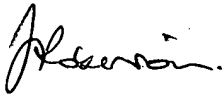
AHF does not employ any staff.

**Political and charitable contributions**

The Company made no political donations nor did it incur any political expenditure during the period.

**Approval**

This Strategic Report was approved by order of the Board on 2 August 2016



Jo Robinson  
Secretary  
2 August 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMICUSHORIZON FINANCE PLC**

We have audited the financial statements of AmicusHorizon Finance plc for the year ended 31 March 2016 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMICUSHORIZON  
FINANCE PLC (CONTINUED)**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.

BDO LLP

Philip Cliftlands (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

Date: 16 August 2016

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



**Statement of comprehensive income for the period ended 31 March 2016**

		<b>Year ended 31 March 2016 £000</b>	<b>Year ended 31 March 2015 £000</b>
	<b>Notes</b>		
<b>Turnover</b>		7,850	7,944
Operating costs		37	(57)
Payment under Gift Aid in year		(43)	(12)
Payment under Gift Aid prior year reversal	7	-	4,438
<b>Gross profit and profit on ordinary activities before interest and taxation</b>		<b>7,844</b>	<b>12,313</b>
Interest payable and other finance costs	5	(7,796)	(7,844)
<b>Profit on ordinary activities before tax</b>	2	<b>48</b>	<b>4,469</b>
Taxation	6	(10)	(6)
<b>Profit on ordinary activities after tax</b>		<b>38</b>	<b>4,463</b>
<b>Profit and comprehensive income for the financial year</b>		<b>38</b>	<b>4,463</b>

**Statement of changes in reserves for the period ended 31 March 2016**

Balance at 1 April	37	(4,426)
Surplus for the year	38	4,463
Balance at 31 March	75	37

All activities in the statement of comprehensive income relate to continuing operations.

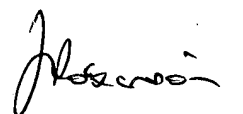
## Balance sheet at 31 March 2016

	Notes	2016 £000	2015 £000
<b>Current Assets</b>			
Debtors receivable after more than one year	7	148,439	148,479
Debtors receivable within one year	7	4,826	4,845
Cash and cash equivalents	8	-	12
		<u>153,265</u>	<u>153,336</u>
<b>Creditors</b>			
Amounts falling due within one year	9	(423)	(413)
		<u>152,842</u>	<u>152,923</u>
<b>Total Assets less Current Liabilities</b>			
<b>Creditors</b>			
Amounts falling due after more than one year	9	152,767	152,886
		<u>75</u>	<u>37</u>
<b>Total net assets</b>			
<b>Capital and reserves</b>			
Share capital	10	12	12
Reserves	11	63	25
		<u>75</u>	<u>37</u>
<b>Total reserves</b>			

The financial statements on pages 8 to 15 were approved by the Board and authorised for issue on 2 August 2016 and signed on its behalf by:



David Clifford  
Director



Jo Robinson  
Secretary

Company number: 7933814

## **1. Accounting policies**

### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements have been prepared under the historic cost convention.

### **Going Concern**

On the basis of their assessment of the Company's financial position and available resources, and the position and available resources of the group of which this company is a part, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

### **Disclosure exemptions adopted**

As a consolidated cash flow statement is prepared by the Company's parent, AmicusHorizon Ltd, the Directors have taken advantage of the exemption provided by s1.12(b) of FRS102 not to report a separate statement of cash flows. In accordance with the requirements of FRS 102, the parent company (as sole shareholder) has been notified of the intention to take advantage of the reduced disclosure framework and does not object.

### **Financial Instruments**

The Company has applied the requirements of sections 11 and 12 of FRS 102. In accordance with the FRS, the Financial Instruments of the company have been assessed and have been classified as basic financial instruments. They are initially recorded at transaction price. On subsequent measurement of the financial instrument it will be measured at amortised cost using the effective interest method. The discount and premium on issue are therefore amortised over the life of the instrument.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Notes to the financial statements for the year ended 31 March 2016 (continued)**

**1. Accounting policies (continued)**

**Taxation**

The charge for taxation is based on the profit or loss for the financial year. The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss accounts because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

**Key sources of estimation or uncertainty**

There is no estimation or uncertainty. The on lent funding to AHL is under a secured loan agreement, backed by housing assets owned by AHL.

**Revenue**

The revenue shown in the Profit and Loss account represents interest receivable on loans to AHL, plus amounts invoiced for administrative expenses during the period. Interest receivable is recognised on an accruals basis.

**2. Profit and loss account**

During the period the Company recharged interest paid on loans to AHL. The gift aid payment made in the year included £31k to mitigate the corporation tax liability reported in 2014/15. After loan premium amortisation, the Company made a profit.

**3. Directors' emoluments**

The Directors are employed by AHL. They do not receive remuneration for their duties as Directors of the Company. Any employment costs are retained by AHL and disclosed as appropriate.

**4. Auditor's remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Auditor's remuneration – audit services	<u>2</u>	<u>2</u>

## Notes to the financial statements for the year ended 31 March 2016 (continued)

## 5. Interest payable and other finance costs

	2016 £000	2015 £000
Interest payable on bond	7,875	7,875
Bond premium amortisation	(79)	(31)
	<u>7,796</u>	<u>7,844</u>

## 6. Taxation on ordinary activities

	2016 £000	2015 £000
Current tax:		
UK corporation tax based on the results for the year	16	6
Adjustment in respect of prior periods	(6)	
	<u>10</u>	<u>6</u>
Total current tax		
	<u>10</u>	<u>6</u>
Profit chargeable to corporation tax	<u>79</u>	<u>31</u>

## 7. Debtors

Amounts receivable after more than one year  
measured at amortised cost :

	2016 £000	2015 £000
Long term loan receivable (2043) from other Group entities	<u>148,439</u>	<u>148,479</u>

Amounts receivable in less than one year:

	2016 £000	2015 £000
Amounts due from parent company	<u>4,826</u>	<u>4,845</u>

As a wholly owned subsidiary of AHL, AHF gifts some or all of its annual distributable profits to AHL and claims charitable donations relief under the Corporation Tax Act 2010. The amounts due from parent company of £4,826 (2015: £4,845) represents amounts recoverable from the parent company following a distribution in the year to 31 March 2014 from reserves not available for distribution.

## 8. Cash at bank and in hand

	2016 £000	2015 £000
Cash and cash equivalents	<u>-</u>	<u>12</u>

Notes to the financial statements for the year ended 31 March 2016 (continued)

9. Creditors

Amounts falling due in less than one year:	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Corporation tax	16	6
Interest payable	407	407
	<u>423</u>	<u>413</u>
Amounts falling due after more than one year measured at amortised cost:	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Fixed rate Bond payable 2043	<u>152,767</u>	<u>152,886</u>
	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Loans are repayable, otherwise than by instalments as follows:		
In five years or more	<u>152,767</u>	<u>152,886</u>

The set up costs and discount on issue costs are being borne by AHL over the 30 year term.

Loans are secured by fixed charges on housing properties owned by the parent and fellow subsidiaries. At 31 March 2015 these had a value of £227m, securing £201m.

The bond matures in 2043 with interest charged at a fixed annual rate of 5.25%.

**Risk Management Objectives and Policies**

AHL's treasury function is responsible for the management of the funds and control of the associated risks. Its activities are governed by the Group's Board and the Finance Committee is responsible for all the treasury issues in all of the Group's legal entities including AHF.

**Interest Rate Risk/Hedging**

The Company currently borrows funds on a fixed rate basis from the capital markets and then on-lends these to AHL on a similar fixed rate. As such the Company does not bear any interest rate risk, apart from the underlying credit risk with AHL, which is discussed below. The Company does not undertake any hedging activities and it does not have any derivatives.

Notes to the financial statements for the year ended 31 March 2016 (continued)

9. Creditors (continued)

Credit Risks and Uncertainties

As AHF on lends to AHL, the main risk facing AHF is that AHL will be unable to make its interest payments when they fall due. The risk is mitigated in a number of ways:

- The on lent funding to AHL is under a secured loan agreement and is backed by housing assets owned by AHL. If there are any payments which are not made to AHF, then it has the right to enforce the security under the loan
- As evidenced by AHL's A2 credit rating from Moody's Investor Service, the financial performance of AHL is deemed to be strong.

The carrying amount of assets and liabilities best represents the maximum exposure to credit risk.

10. Called-up share capital

2016  
£

Allotted and issued 50,000 ordinary shares of £1 each.

At 31 March 2016 and 31 March 2015

50,000

£12,500 of issued share capital was paid up.

The capital of AHF consists solely of ordinary share capital and an accumulated reserve representing the undistributed profits of the company. The Company's capital is not subject to externally imposed capital requirements except for those imposed by loan covenants in relation to the net asset position. The Company has complied with all capital requirements during the period.

11. Reserves

	2016 £000	2015 £000
At 1 April 2015	25	(4,438)
Profit /(loss) for the year	48	4,463
At 31 March 2016	<u>73</u>	<u>25</u>

**12. Related party transactions**

All intra-group transactions have taken place in the normal course of business and all intragroup lending is at the market rate.

The Company is a wholly owned subsidiary of AmicusHorizon Limited and has taken advantage of the exemption provided by FRS102 not to disclose transactions with AmicusHorizon Limited or other wholly owned subsidiaries within the group. No other related party transactions have been identified.

**13. Group structure**

AmicusHorizon Finance plc is a wholly owned subsidiary undertaking of AmicusHorizon Limited. The results of the Company have therefore been consolidated within the parent's accounts, which are available on request from:

The Secretary  
AmicusHorizon Limited  
Grosvenor House  
125 High Street  
Croydon CR0 9XP

**14. Legislative provisions**

AmicusHorizon Finance plc is incorporated under the Companies Act 2006.

**15. Ultimate parent undertaking**

AmicusHorizon Limited is the ultimate parent undertaking and controlling entity of AmicusHorizon Finance plc by virtue of a 100% shareholding.