

**AmicusHorizon Finance plc**  
**Financial Statements for the year ended 31 March 2017**



Company number: 7933814

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# **AmicusHorizon Finance plc**

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

### **Directors**

David Clifford                      Chair  
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

**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 2017.

**Principal Activities and review of the business**

AHF was incorporated on 2 February 2012. AHF is a wholly owned subsidiary of Optivo. AHF is a special purpose funding vehicle, used to secure funding for the Optivo. AHF obtains finance directly from capital markets and on-lends to Optivo. Optivo is a registered society under the Cooperative and Community Benefit Societies Act 2014, registered no. 7561.

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.

After the year end, the group of which this entity is a part amalgamated with Viridian Housing to become Optivo. Amalgamation completed on 22 May 2017.

**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 Optivo – 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 20 September 2017.

**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  
Chair  
3 August 2017

# **AmicusHorizon Finance plc**

## **Strategic report**

### **Financial position at the year end**

The profit and loss account shows a profit of £3k for the year (2016: £38k profit).

### **Principal risks and uncertainties**

As AHF on lends to Optivo, the main risk facing AHF is Optivo being unable to make its interest or principal payments when they fall due. The risk is mitigated because the on lent funding to Optivo is under a secured loan agreement, backed by housing assets owned by Optivo. 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 which was upgraded to A1 following amalgamation.

### **Employees**

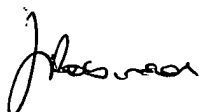
AHF does not employ any staff.

### **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 3 August 2017.



Jo Robinson  
Secretary  
3 August 2017

## **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 2017 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).

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 2017 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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year 31 March 2017 for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or the directors' report.

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  
55 Baker Street

London

W1U 7EU

Date: *23 August 2017*

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 2017**

		<b>Year ended 31 March 2017 £000</b>	<b>Year ended 31 March 2016 £000</b>
	<b>Notes</b>		
<b>Turnover</b>		7,918	7,850
Operating costs		(30)	37
Payment under Gift Aid in year		(92)	(43)
<b>Gross profit and profit on ordinary activities before interest and taxation</b>		<b>7,796</b>	<b>7,844</b>
Interest payable and other finance costs	5	(7,792)	(7,796)
<b>Profit on ordinary activities before tax</b>	2	<b>4</b>	<b>48</b>
Taxation	6	(1)	(10)
<b>Profit on ordinary activities after tax</b>		<b>3</b>	<b>38</b>
<b>Profit and comprehensive income for the financial year</b>		<b>3</b>	<b>38</b>

**Statement of changes in reserves for the period ended 31 March 2017**

Balance at 1 April 2016	75	37
Surplus for the year	3	38
Balance at 31 March 2017	<u>78</u>	<u>75</u>

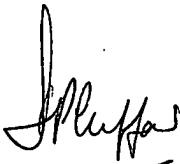
All activities in the statement of comprehensive income relate to continuing operations.

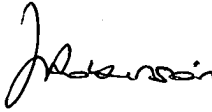
**AmicusHorizon Finance plc**

**Balance sheet at 31 March 2017**

	Notes	2017 £000	2016 £000
<b>Current Assets</b>			
Debtors receivable after more than one year	7	148,466	148,439
Debtors receivable within one year	7	4,746	4,826
Cash and cash equivalents	8	-	-
		<u>153,212</u>	<u>153,265</u>
<b>Creditors</b>			
Amounts falling due within one year	9	(424)	(423)
		<u>152,788</u>	<u>152,842</u>
<b>Total Assets less Current Liabilities</b>			
<b>Creditors</b>			
Amounts falling due after more than one year	9	(152,710)	(152,767)
		<u>78</u>	<u>75</u>
<b>Total net assets</b>			
<b>Capital and reserves</b>			
Share capital	10	12	12
Reserves	11	66	63
		<u>78</u>	<u>75</u>
<b>Total reserves</b>			

The financial statements on pages 8 to 15 were approved by the Board and authorised for issue on 3 August 2017 and signed on its behalf by:

  
David Clifford  
Chair

  
Jo Robinson  
Secretary

Company number: 7933814

**Notes to the financial statements for the year ended 31 March 2017**

**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 AmicusHorizon Ltd, as parent entity, prior to its amalgamation to form Optivo, as reported through AmicusHorizon Ltd at 31 March 2017, the Directors have taken advantage of the exemption provided by FRS102 not to report a separate statement of cash flows.

**Financial Instruments**

The Company has applied the requirements of sections 11 and 12 of FRS102. 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.

**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 Optivo is under a secured loan agreement, backed by housing assets owned by Optivo.

**Revenue**

The revenue shown in the Profit and Loss account represents interest receivable on loans to Optivo, 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 Optivo. The gift aid payment made in the year included £79k to mitigate the corporation tax liability reported in 2015/16. After loan premium amortisation, the Company made a profit.

**3. Directors' emoluments**

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

**4. Auditor's remuneration**

	<b>2017</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Auditor's remuneration – audit services	<u>2</u>	<u>2</u>

**5. Interest payable and other finance costs**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Interest payable on bond	7,875	7,875
Bond premium amortisation	<u>(83)</u>	<u>(79)</u>
	<u>7,792</u>	<u>7,796</u>

**6. Taxation on ordinary activities**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Current tax:		
UK corporation tax based on the results for the year	17	16
Adjustment in respect of prior periods	<u>(16)</u>	<u>(6)</u>
Total current tax	<u>1</u>	<u>10</u>
Profit chargeable to corporation tax	<u>83</u>	<u>79</u>

**7. Debtors**

Amounts receivable after more than one year measured at amortised cost:		
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Long term loan receivable (2043) from other Group entities	<u>148,466</u>	<u>148,439</u>
Amounts receivable in less than one year:		
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Amounts due from parent company	<u>4,746</u>	<u>4,826</u>

As a wholly owned subsidiary of Optivo, AHF gifts some or all of its annual distributable profits to Optivo and claims charitable donations relief under the Corporation Tax Act 2010. The amounts due from parent company of £4,746 (2016: £4,826) 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**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Cash and cash equivalents	<u>-</u>	<u>-</u>

## Notes to the financial statements for the year ended 31 March 2017 (continued)

## 9. Creditors

Amounts falling due in less than one year:	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Corporation tax	17	16
Interest payable	407	407
	<u>424</u>	<u>423</u>

Amounts falling due after more than one year measured at amortised cost:	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Fixed rate Bond payable 2043	<u>152,710</u>	<u>152,767</u>

Loans are repayable, otherwise than by instalments as follows:	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
In five years or more	<u>152,710</u>	<u>152,767</u>

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

Loans are secured by fixed charges on housing properties owned by the parent and fellow subsidiaries. At 31 March 2017, based on a valuation at May 2016, these had a value of £228m, securing £202m.

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

**Risk Management Objectives and Policies**

Optivo'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 Optivo on a similar fixed rate. As such the Company does not bear any interest rate risk, apart from the underlying credit risk with Optivo, which is discussed below. The Company does not undertake any hedging activities and it does not have any derivatives.

**9. Creditors (continued)**

**Credit Risks and Uncertainties**

As AHF on lends to Optivo, the main risk facing AHF is that Optivo 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 Optivo is under a secured loan agreement and is backed by housing assets owned by Optivo. 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 Optivo's credit rating from Moody's Investor Service which was upgraded to A1 in June 2017 following amalgamation, the financial performance of Optivo 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 2017 and 31 March 2016

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.

AHF has not made a call for the remaining £37,500 share capital to be paid up.

**11. Reserves**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
At 1 April	63	25
Profit for the year	3	38
At 31 March	<u>66</u>	<u>63</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 Optivo. The Company has taken advantage of the exemption provided by FRS102 not to disclose transactions with AmicusHorizon Limited, as the parent entity, prior to its amalgamation to form Optivo, 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 Optivo. The results of the Company have been consolidated within AmicusHorizon Ltd, as parent entity, prior to its amalgamation to form Optivo, which are available on request from:

The Secretary  
Optivo  
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**

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