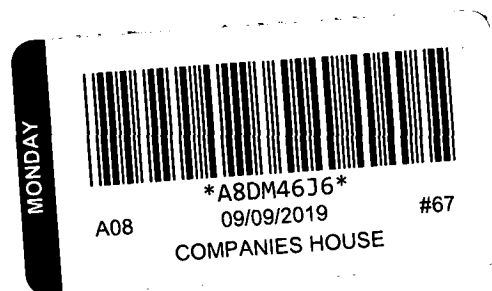


Company Number: 09077819

Enterprise Durham Partnership Limited

REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2019



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DIRECTORS, ADVISORS AND BANKERS

Directors M Reid (resigned 15 May 2019)
C Carpenter
G van Enk-Bones (appointed 18 June 2019)

Company Secretary R Fryer

Auditors Beever and Struthers
St George's House
215 – 219 Chester Road
Manchester
M15 4JE

Bankers Lloyds Bank plc
3rd Floor
25 Gresham Street
London
EC2V 7HN

Solicitors Womble Bond Dickinson (UK) LLP
St. Ann's Wharf, 112 Quayside
Newcastle upon Tyne
NE1 3DX

Registered Office Number Five
Gosforth Park Avenue
Gosforth Business Park
Newcastle upon Tyne
NE12 8EG

DIRECTORS' REPORT

Year Ended 31 March 2019

The directors present their report and the audited accounts for the year ended 31 March 2019.

Enterprise Durham Partnership Limited is a company limited by guarantee (without share capital) and is a subsidiary of Karbon Homes Limited.

An Operating and Financial Review is reported at the Group level within the financial statements of the parent association, Karbon Homes Limited, a copy of which can be obtained from the registered office detailed on page 1.

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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.

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.

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 this information.

Business review and principal activities

The Company's principal activities during the period were in two main areas. Firstly, the provision of grounds maintenance activities, void property works and clearances, and secondly, the repair, re-use and re-sale of furniture and domestic appliances through furniture package schemes supplied to other companies within the Karbon Homes Group.

Profit on ordinary activities before taxation for the year was £24,303 (2018: (£44,207)). The directors do not propose the payment of a dividend.

Reserves

After transfer of the result for the year, the profit and loss deficit totalled £203,552 (2018: £227,640).

DIRECTORS' REPORT (CONTINUED)

Year Ended 31 March 2019

Going Concern

When approving the financial statements the directors are required to make an assessment of the Company's ability to continue as a going concern. In doing this the directors are required to consider all available information about the future, which is at least but not limited to, twelve months from the date when the financial statements are approved and signed. The company's business plan forecasts modest profit levels to be maintained at current levels and, therefore, enable it to service the interest requirements of its inter-company working capital facility with Karbon Homes Limited (parent company). The company has received assurances from its parent company that there is no intention to recall the available working capital facility of £350,030 for a period not less than 12 months from the balance sheet date.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, the directors continue to adopt the going concern basis in the financial statements.

Directors

The names of the directors who served during the year are set out on page 1.

Directors' interests

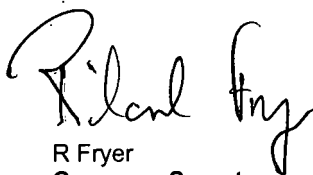
No director held an interest in the share capital of the Company.

External Auditors

Beever and Struthers, having expressed their willingness to continue in office, will be deemed re-appointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

Approval

The Report of the Directors was approved by the Board of Directors on 29 July 2019 and signed on its behalf by:



R Fryer
Company Secretary
29 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENTERPRISE DURHAM PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of Enterprise Durham Partnership Limited "the company" for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and Reserves 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 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 2019 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENTERPRISE DURHAM PARTNERSHIP LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or;
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions 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 set out on page 2, 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.

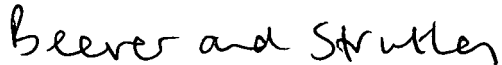
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENTERPRISE DURHAM PARTNERSHIP LIMITED (CONTINUED)

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.

Maria Hallows (Senior Statutory Auditor)



For and on behalf of
BEEVER AND STRUTHERS, Statutory Auditor
St George's House
215/219 Chester Road
Manchester
M15 4JE

Date: 12.8.19

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 March 2019

		2019	2018
	Note	£	£
Turnover	3	333,830	274,266
Cost of sales		(131,525)	(141,821)
Gross profit		202,305	132,445
Administrative expenses		(159,627)	(69,861)
Operating profit	4	42,678	62,584
Interest payable and similar charges	5	(18,375)	(18,377)
Profit on ordinary activities before taxation		24,303	44,207
Tax on profit on ordinary activities	7	(215)	-
Total comprehensive income for the year		24,088	44,207

There were no gains and losses other than those shown in the profit and loss account.

The notes on pages 10 to 17 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AT 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	8	<u>1,969</u>	<u>2,625</u>
		<u>1,969</u>	<u>2,625</u>
Current assets			
Stock	9	5,370	5,370
Debtors	10	24,583	40,393
Cash at bank and in hand		<u>187,108</u>	<u>266,130</u>
		<u>217,061</u>	<u>311,893</u>
Creditors: amounts falling due within one year	11	<u>(72,552)</u>	<u>(192,128)</u>
Net current assets / (liabilities)		144,509	119,765
Total assets less current liabilities		146,478	122,390
Creditors: amounts falling due after more than one year	12	(350,030)	(350,030)
Net assets / (liabilities)		<u>(203,552)</u>	<u>(227,640)</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		(203,552)	(227,640)
Shareholders' deficit		<u>(203,552)</u>	<u>(227,640)</u>

The notes on pages 10 to 17 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 29th July 2019 and signed on its behalf by:

C Carpenter
Director



G van Enk-Bones
Director



STATEMENT OF CHANGES IN EQUITY AND RESERVES

FOR THE YEAR ENDED 31 March 2019

	Profit and Loss Account £	Total £
At 1 April 2017	(271,847)	(271,847)
Profit and loss from Statement of Comprehensive Income	44,207	44,207
At 31 March 2018	(227,640)	(227,640)
Profit and loss from Statement of Comprehensive Income	24,088	24,088
At 31 March 2019	(203,552)	(203,552)

The notes on pages 10 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 LEGAL STATUS AND STATEMENT OF COMPLIANCE

Enterprise Durham Partnerships is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1.

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006.

2 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The Company's business activities, its current financial position and factors likely to affect its future development are set out within the Directors' Report. The Company has in place loan facilities, which provide adequate resources to finance the Company's day-to-day operations. The Company also has a business plan, which shows that it is able to service these debt facilities, assuming trends continue in the same form that they have over previous years. We can also confirm that Karbon Homes Limited has provided a letter of support that sets out their intent to provide financial support to Enterprise Durham Partnership Limited as required.

On this basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, they continue to adopt the going concern basis in the financial statements.

Turnover

Turnover represents amounts invoiced and accrued in respect of work done for members to the Company. Provision is made for losses on all long term contracts as soon as such losses become apparent.

Taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax is not provided on timing differences arising from:

- a) revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date; and
- b) gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

2 ACCOUNTING POLICIES (continued)

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Value added tax

The Company is VAT registered and charges accordingly. The balance of VAT payable or recoverable at the year-end is included as a current liability or current asset.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Tangible fixed assets

Tangible Fixed Assets are stated at cost net of depreciation and any provision for impairment. Assets begin depreciating in the month following their purchase, and are depreciated to a nil residual value. Depreciation is provided on all tangible fixed assets at rates to write off the cost of each asset on a straight line basis over its expected useful life. Motor vehicles are depreciated on a reducing balance basis of 25% per annum.

Stocks

Stocks are stated at the lower of cost, using the first-in, first-out method and selling prices less costs to complete and sell.

Finance costs

The Company is partially funded through an interest bearing inter-company loan from Karbon Homes Limited. This loan carries a fixed rate of interest of 5.25%. Interest is payable upon the Company making a profit (to the extent that it does not cause a loss) and is charged to the statement of comprehensive income in the period to which it relates.

3 TURNOVER

	2019	2018
	£	£
Sale of goods	148,999	150,134
Rendering of services	184,831	124,132
	<u>333,830</u>	<u>274,266</u>

Turnover is attributable to the principal activities of the Company, it operates in the UK and the whole of its turnover is attributable to the UK market.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

4 OPERATING PROFIT

Operating profit is stated after charging:

	2019	2018
	£	£
Auditors remuneration - audit services	1,200	1,500
Management recharges	30,000	-
	<u>31,200</u>	<u>1,500</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£	£
Interest payable on intercompany loan	18,375	18,377
	<u>18,375</u>	<u>18,377</u>

6 DIRECTORS AND EMPLOYEES

The average number of employees expressed as full time equivalents (calculated on a standard working week basis).

	2019	2018
	No	No
Housing management and repairs	5	6
	<u>5</u>	<u>6</u>
	£	£
Wages and salaries	82,922	93,384
Social security costs	5,463	5,391
Other pension costs	1,031	-
	<u>89,416</u>	<u>98,775</u>

Directors' remuneration for the year was £nil (2018: £nil). Expenses payable during the year to directors amounted to £nil (2018: £nil). The directors are remunerated as officers of the member companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

7 TAXATION

	2019	2018
	£	£
Current tax		
UK corporation tax on profits of the period	-	-
Adjustments in respect of prior periods	215	-
Gift aid claim relating to previous period	-	-
UK corporation tax	<u>215</u>	<u>-</u>

Current tax reconciliation

The tax assessed is lower than the standard rate of corporation tax in the UK (19% - 2018 19%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before taxation	24,303	44,207
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19%	4,618	8,399
Effects of:		
Expense not deductible for tax purposes	-	-
Deferred tax not recognised	(4,132)	-
Rate changes	(486)	-
Other timing differences	-	(8,399)
Adjustment in respect of prior periods	215	-
Current tax charge for the year	<u>215</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

8 TANGIBLE ASSETS

	Motor Vehicles	Total
	£	£
Cost / valuation		
At 1 April 2018	8,000	8,000
Additions	-	-
Disposals	-	-
At 31 March 2019	8,000	8,000
		-
Accumulated depreciation		-
At 1 April 2018	(5,375)	(5,375)
Charge in year	(656)	(656)
Disposals	-	-
At 31 March 2019	(6,031)	(6,031)
		-
Net book value		-
At 31 March 2019	1,969	1,969
At 31 March 2018	2,625	2,625

9 STOCKS

	2019	2018
	£	£
Stocks	5,370	5,370

Stocks comprise items of white goods and furniture; including spare parts, available for sale, valued at the lower of cost or net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

10 DEBTORS

	2019	2018
	£	£
Prepayments and accrued income	30	3,271
Amounts owed from group undertakings	16,292	23,845
Trade debtors	8,261	13,277
	<u>24,583</u>	<u>40,393</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Accruals and deferred income	2,597	6,428
Amounts owed to group undertakings	62,880	180,668
Taxation and social security	1,256	1,280
Trade creditors	5,819	3,752
	<u>72,552</u>	<u>192,128</u>

12 CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Amounts owed to group undertakings	350,030	350,030
	<u>350,030</u>	<u>350,030</u>

Funding has been provided by Karbon Homes Limited. The loan is secured on the assets of the Company and interest is charged, when the Company returns a profit, on the full outstanding balance at 5.25% (to the extent that it does not cause a loss). The loan is repayable in full by July 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

13 SHARE CAPITAL

The Company is limited by guarantee and therefore has no share capital. Each member agrees to contribute £1 in the event of the company winding up.

	2019 No	2018 No
Number of members		
At 1 April	2	1
Joining during the year	-	2
Leaving during the year	-	(1)
At 31 March	<u>2</u>	<u>2</u>

14 CAPITAL COMMITMENTS

The Company had no capital commitments as at 31 March 2019.

15 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking at the year-end was Karbon Homes Limited, a Housing Association and an exempt charity incorporated in England and registered as a Co-operative and Community Benefit Society, registration number 7529. A copy of the financial statements may be obtained from the registered office detailed on page 1.

16 FINANCIAL INSTRUMENTS

Under FRS 102 paragraph 1.12 (c), the Company is exempt from the requirement to disclose its financial instruments on the grounds that the ultimate parent undertaking includes the Company's financial instruments in its own consolidated financial instruments note.

17 CASH FLOW STATEMENT

Under FRS 102 paragraph 1.11 and 1.12, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the Company's cash flow in its own consolidated cash flow statement.

18 RELATED PARTY DISCLOSURES

The Company is a 100% subsidiary and has taken advantage of the exemption available under FRS 102 paragraph 1.11 and 1.12 and the requirement of section 33 "Related Party Disclosures" not to disclose transactions with entities that are part of the group on the basis that consolidated financial statements in which the Company is included are publicly available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

19 POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

20 ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the financial statements, it is necessary for the management of the Company to make judgements, estimates and assumptions that may affect the application of the accounting policies, the reported amounts of assets and liabilities and income and expenses. The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The key areas requiring the use of estimates and judgements which may significantly affect the financial statements are considered to be:

Stock

One of the Company's principal activities is the repair, re-use and re-sale of furniture and domestic appliances, so to this end, stocks of furniture and appliances are maintained. Where there is an indication of their value being impaired, management use estimates and judgements to estimate a realisable value. These estimates are based on management knowledge, past experience and current market trends.