

Company Number: 09077819

Enterprise Durham Partnership Limited

REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2021

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Enterprise Durham Partnership Limited

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DIRECTORS, ADVISORS AND BANKERS

Directors

C Carpenter
B S Martin

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

NatWest (Part of Royal Bank of Scotland
Group)
2nd Floor
1 Trinity Gardens
Broadchare
Newcastle upon Tyne
NE1 2HF

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 2021

The directors present their report and the audited accounts for the year ended 31 March 2021.

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.

Loss on ordinary activities before taxation for the year was £17,018 (2020: £ Nil). 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 £220,570 (2020: £203,552).

DIRECTORS' REPORT (CONTINUED)

Year ended 31 March 2021

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. The directors have also considered the impact of the Covid-19 crisis upon the business and the assessment of going concern and it has concluded that there is no material uncertainty around this. 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 22 July 2021 and signed on its behalf by:



R Fryer
Company secretary
22 July 2021

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 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and Reserves and the notes to the financial statements, including a summary of significant accounting policies in note 2. 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 2021 and of its loss 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 Directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 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 has 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)

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 Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Directors 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 was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested 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 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.

Beever and Struthers

Maria Hallows BA FCA DChA (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: 30 July 2021

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	3	56,000	173,877
Cost of sales		(4,121)	(66,935)
Gross profit		51,879	106,942
Administrative expenses		(68,897)	(97,749)
Operating (loss)/ profit	4	(17,018)	9,193
Interest payable and similar charges	5	-	(9,193)
(Loss)/ profit on ordinary activities before taxation		(17,018)	-
Tax on profit on ordinary activities	7	-	-
Total comprehensive income for the year		(17,018)	-

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

The notes on pages 10 to 16 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	8	<u>77,770</u>	<u>13,510</u>
		<u>77,770</u>	<u>13,510</u>
Current assets			
Debtors	9	15,938	4,415
Cash at bank and in hand		<u>66,917</u>	<u>153,539</u>
		<u>82,855</u>	<u>157,954</u>
Creditors: amounts falling due within one year	10	<u>(31,165)</u>	<u>(24,986)</u>
Net current assets		51,690	132,968
Total assets less current liabilities		129,460	146,478
Creditors: amounts falling due after more than one year	11	(350,030)	(350,030)
Net liabilities		<u>(220,570)</u>	<u>(203,552)</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		(220,570)	(203,552)
Shareholders' deficit		<u>(220,570)</u>	<u>(203,552)</u>

The notes on pages 10 to 16 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 22 July 2021 and signed on its behalf by:

C Carpenter
Director


B S Martin
Director

Company Registration Number: 09077819

STATEMENT OF CHANGES IN EQUITY AND RESERVES

FOR THE YEAR ENDED 31 MARCH 2021

	Profit and loss account £
At 31 March 2019	(203,552)
Profit and loss from statement of comprehensive income	-
At 31 March 2020	(203,552)
Profit and loss from statement of comprehensive income	(17,018)
At 31 March 2021	(220,570)

The notes on pages 10 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 LEGAL STATUS AND STATEMENT OF COMPLIANCE

Enterprise Durham Partnership 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. 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 2021

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

	2021	2020
	£	£
Sale of goods	56,301	68,235
Rendering of services	(301)	105,642
	<u>56,000</u>	<u>173,877</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 2021

4 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2021	2020
	£	£
Auditors remuneration - audit services	3,930	1,800
Management recharges	23,667	15,000

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
Interest payable on intercompany loan	-	9,193

6 DIRECTORS AND EMPLOYEES

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

	2021	2020
	No	No
Housing management and repairs	-	3
	£	£
Wages and salaries	-	47,738
Social security costs	-	3,413
Other pension costs	-	942
	-	52,093

Directors' remuneration for the year was £nil (2020: £nil). Expenses payable during the year to directors amounted to £nil (2020: £nil). The directors are remunerated as executive directors of Karbon Homes Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

7 TAXATION

	2021	2020
	£	£
Current tax		
UK corporation tax on profits of the period	-	-
Adjustments in respect of prior periods	-	-
Gift aid claim relating to previous period	-	-
UK corporation tax	-	-

	2021	2020
	£	£
Deferred tax (asset)/liability not recognised	<u>(44,851)</u>	<u>(41,671)</u>

Current tax reconciliation

The tax assessed is lower than the standard rate of corporation tax in the UK (19% - 2020 19%). The differences are explained below:

	2021	2020
	£	£
Loss on ordinary activities before taxation	(17,018)	-
Ta on loss on ordinary activities at standard rate of corporation tax in the UK of 19%	(3,233)	-
Effects of:		
Group relief surrendered/(claimed)	-	2,804
Expenses not deductible for tax purposes	54	-
Adjust opening deferred tax to average rate of 19%	-	(4,682)
Deferred tax not recognised	3,179	1,878
Current tax charge for the year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8 TANGIBLE ASSETS

	Furniture	Motor Vehicles	Total
	£	£	£
Cost			
At 1 April 2020	12,034	8,000	20,034
Additions	79,755	-	79,755
Disposals	-	(8,000)	(8,000)
At 31 March 2021	91,789	-	91,789
Accumulated depreciation			
At 1 April 2020	-	(6,524)	(6,524)
Charge in year	(14,019)	-	(14,019)
Disposals	-	6,524	6,524
At 31 March 2021	(14,019)	-	(14,019)
Net book value			
At 31 March 2021	77,770	-	77,770
At 31 March 2020	12,034	1,476	13,510

9 DEBTORS

	2021	2020
	£	£
Prepayments and accrued income	30	30
Amounts owed from group undertakings	13,703	4,130
Trade debtors	1,832	21
Taxation and social security	373	234
	<u>15,938</u>	<u>4,415</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accruals and deferred income	18,226	13,304
Amounts owed to group undertakings	12,303	11,442
Trade creditors	636	240
	<u>31,165</u>	<u>24,986</u>

11 CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Amounts owed to group undertakings	350,030	350,030

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.

12 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.

	2021 No	2020 No
Number of members		
At 1 April 2020 and 31 March 2021	2	2

13 CAPITAL COMMITMENTS

The company had no capital commitments as at 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14 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.

15 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.

16 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.

17 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.

18 POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

19 ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the financial statements, there have been no key accounting estimates or judgements made.