

RAVEN DEVELOPMENT HOMES LIMITED

**Company Registration Number:
10653135 (England and Wales)**

Unaudited statutory accounts for the year ended 31 March 2022

Period of accounts

Start date: 1 April 2021

End date: 31 March 2022

RAVEN DEVELOPMENT HOMES LIMITED

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Directors' report period ended 31 March 2022

The directors present their report with the financial statements of the company for the period ended 31 March 2022

Principal activities of the company

The principal activity of Raven Development Homes Limited (the Company) during the year was the development of homes for outright sale and the sale of completed homes.

Additional information

Business review Raven Development Homes Limited has been trading as 'Raven Homes' since it was incorporated in March 2017. Raven Homes' purpose is to generate profits from market sale housing in order to financially support the charitable aims of the Raven Housing Group. The Company had no new starts on site in the year, but completed the build of Rosebay Close. The sales team progressed sales of this site and Burrstone Gardens, which completed in the previous year, throughout 2021/22. The profit on ordinary activities before taxation for 2021/22 of £0.4m represents the surplus on completion and sale of 22 properties at Burrstone Gardens and Rosebay Close. The Company has a loan facility in place with Raven Housing Trust of £18m, which was extended to £25m up to October 2021. The loan funds development activity, in advance of receiving sales proceeds. There is expected to be the financial capacity to repay the current loan during 2022/23. Raven Homes continues to seek additional opportunities for Build for Sale. In March 2021 the Group Board approved Raven Development Homes entering into a Joint Venture LLP with Reigate and Banstead Council (RBBC). The Members will "own" the LLP in equal shares (50:50). The LLP is being established to enable Raven and RBBC to work together to facilitate the delivery of new homes in the borough and wider LEP area. We expect to incorporate the company in 2022/23. The Management Companies of Rosebay Close, Thanet Court and Burrstone Gardens will be transferred to homeowners in the 2022/23 financial year.

Key risks The key risk for Raven Homes is securing new opportunities with strong returns in a challenging procurement environment with significant pressures on build costs and labour. In addition, the Board are mindful of future uncertainty on sales values in current economic climate. Officers and the Board continue to monitor this closely. The Company continues to track risk and operates a risk register, which fits with the wider framework, operated within the Raven Group.

Independent auditor Crowe LLP UK were appointed as auditors in December 2021 after undergoing a competitive tender process.

Disclosure of information to auditor At the date of making this report each of the Company's Directors, as set out within Board and Company information, confirm the following:- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future given the on-lending facility agreed by Raven Housing Trust Limited's Board. The level of the loan facility is sufficient to meet expected costs of new schemes. It is anticipated that the current projects of Burrstone Gardens and Rosebay Close will remain profitable, although the timings of cashflows have been delayed. As such Raven Development Homes Limited continues to operate on a going concern basis.

Directors Those who held office as Directors during the year are listed within Board and Company Information. In preparing this report, the Directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

Directors

The directors shown below have held office during the whole of the period from
1 April 2021 to 31 March 2022

Jonathan Higgs
Mark Baker

Secretary Mark Baker

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
11 October 2022

And signed on behalf of the board by:
Name: Jonathan Higgs
Status: Director

RAVEN DEVELOPMENT HOMES LIMITED

Profit And Loss Account for the Period Ended 31 March 2022

	2022	2021
	£	£
Turnover:	9,350,933	11,860,000
Cost of sales:	(8,447,341)	(10,893,903)
Gross profit(or loss):	<u>903,592</u>	<u>966,097</u>
Distribution costs:	0	0
Administrative expenses:	(137,274)	(141,803)
Other operating income:	0	0
Operating profit(or loss):	<u>766,318</u>	<u>824,294</u>
Interest receivable and similar income:	0	0
Interest payable and similar charges:	(338,424)	(24,740)
Profit(or loss) before tax:	<u>427,894</u>	<u>799,554</u>
Tax:	0	(83,728)
Profit(or loss) for the financial year:	<u>427,894</u>	<u>715,826</u>

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Balance sheet

As at 31 March 2022

	<i>Notes</i>	<i>2022</i>	<i>2021</i>
		£	£
Called up share capital not paid:		0	0
Fixed assets			
Intangible assets:		0	0
Tangible assets:		0	0
Investments:		0	0
Total fixed assets:		<u>0</u>	<u>0</u>
Current assets			
Stocks:	3	2,602,199	9,960,718
Debtors:	4	89,060	514,659
Cash at bank and in hand:		1,010,527	2,858,058
Investments:		0	0
Total current assets:		<u>3,701,786</u>	<u>13,333,435</u>
Prepayments and accrued income:		0	0
Creditors: amounts falling due within one year:	5	(3,296,752)	(12,979,014)
Net current assets (liabilities):		<u>405,034</u>	<u>354,421</u>
Total assets less current liabilities:		<u>405,034</u>	<u>354,421</u>
Creditors: amounts falling due after more than one year:		0	0
Provision for liabilities:		0	0
Accruals and deferred income:		0	0
Total net assets (liabilities):		<u>405,034</u>	<u>354,421</u>
Capital and reserves			
Called up share capital:		1	1
Share premium account:		0	0
Other reserves:		0	0
Profit and loss account:		405,033	354,420
Total Shareholders' funds:		<u>405,034</u>	<u>354,421</u>

The notes form part of these financial statements

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Balance sheet statements

For the year ending 31 March 2022 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**This report was approved by the board of directors on 11 October 2022
and signed on behalf of the board by:**

Name: Jonathan Higgs
Status: Director

The notes form part of these financial statements

RAVEN DEVELOPMENT HOMES LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2022

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Other accounting policies

1 Basis of preparation These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006. The financial statements have been prepared under the historic cost convention in accordance with the Company's accounting policies. All amounts are stated in pound sterling. The Company has taken advantage of the following disclosure exemptions available under FRS 102:- the exemption from preparing a statement of cash flows; - the exemption from disclosing key management personnel compensation; and- the exemption from certain financial instruments disclosures, as equivalent disclosures have been included in the consolidated financial statements of Raven Housing Trust Limited. 2 Going concern The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future given the on-lending facility agreed by Raven Housing Trust Limited's Board. The level of the loan facility is sufficient to meet expected costs of new schemes. It is anticipated that the current projects of Burrstone Gardens and Rosebay Close will remain profitable, although the timings of cashflows have been delayed.. As such Raven Development Homes Limited continues to operate on a going concern basis. 3 Revenue All revenue is derived from sales proceeds from properties that have been developed specifically for outright sale. Revenue is recognised when a contract is legally complete. All turnover relates to activity in the United Kingdom. 4 Stock Stock represents raw materials, work in progress and completed properties, including housing properties developed for outright sale. Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. It also includes interest relating to loans advanced in order to finance specific development projects. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs. An assessment of whether there is any impairment is made at each reporting date. Where an impairment loss is identified, it is immediately recognised in the statement of consolidated income. On disposal, sales proceeds are included in turnover and the costs of sales, including costs incurred in the development of properties. Marketing and other incidental costs are included in operating expenses. 5 Taxation The tax expense represents the sum of the tax currently payable. The current tax charge is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account. 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 balance sheet date. Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss. The exception is when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle on a net basis. 6 Cash and cash equivalents Cash and cash equivalents consist of cash at bank in hand, deposits, bank overdrafts and short term investments with an original maturity of three months or less. 7 Financial instruments The Company accounts for financial instruments as basic in accordance with the recognition criteria in Section 11 of FRS 102. Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. In this case, the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar instrument. Basic financial instruments are subsequently measured at amortised cost using the effective interest method. Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. In this case, the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Basic financial liabilities are subsequently measured at amortised cost, using the effective interest rate method. Financial assets and liabilities that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amounts of the cash or other consideration expected to be paid or received, net of impairment. 8 Key sources of estimation uncertainty The preparation of financial statements in conformity with generally accepted accounting practice, requires management to make estimates and judgements. These affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. (a) Estimation of costs to complete: In order to determine the profit that the Company is able to recognise on its developments in a specific period, it is necessary to allocate development costs between units built in the current year and in future years. It also has to estimate costs to complete for such developments. There is a degree of uncertainty in making these assessments. The Company uses internal controls to assess and review carrying values. (b) Assessment of cost vs Net Realisable: Value Based on the costs to complete, the Company then determine the recoverability of the cost of properties developed for outright sale.

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Notes to the Financial Statements for the Period Ended 31 March 2022

2. Employees

	2022	2021
Average number of employees during the period	0	0

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Notes to the Financial Statements

for the Period Ended 31 March 2022

3. Stocks

	<i>2022</i>	<i>2021</i>
	£	£
Stocks	2,602,199	9,960,718
Payments on account	0	0
Total	<u>2,602,199</u>	<u>9,960,718</u>

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Notes to the Financial Statements

for the Period Ended 31 March 2022

4. Debtors

	<i>2022</i>	<i>2021</i>
	£	£
Trade debtors	0	0
Prepayments and accrued income	0	0
Other debtors	89,060	514,659
Total	<u>89,060</u>	<u>514,659</u>
Debtors due after more than one year:	0	0

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Notes to the Financial Statements

for the Period Ended 31 March 2022

5. Creditors: amounts falling due within one year note

	2022	2021
	£	£
Bank loans and overdrafts	0	0
Amounts due under finance leases and hire purchase contracts	0	0
Trade creditors	0	110,670
Taxation and social security	0	0
Accruals and deferred income	342,210	396,388
Other creditors	2,954,542	12,471,956
Total	<u>3,296,752</u>	<u>12,979,014</u>

Other Creditors includes:2022: Other Creditors £24,542 / Loan from parent company £2,930,0002021: Other Creditors £41,956 / Loan from parent company £12,430,000

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.