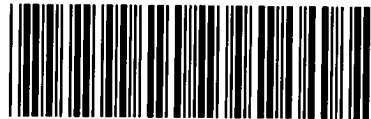


Registered number 10923446

ANNUAL REPORT AND FINANCIAL STATEMENTS

**HARMONI HOMES LIMITED
FOR THE YEAR ENDED 31 MARCH 2019**

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HARMONI HOMES LIMITED
Annual Report and Financial Statements
For the year ended 31 March 2019

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HARMONI HOMES LIMITED
Annual Report and Financial Statements
For the year ended 31 March 2019

COMPANY INFORMATION

Directors:	Grahame Sturges Phillip Stokes Lynda Sagona
Company Secretary:	Nia Roblin
Registered office:	Y Borth 13 Beddau Way Caerphilly CF83 2AX
Registered Number:	10923446
Auditor:	KPMG LLP 3 Assembly Square Britannia Quay Cardiff CF10 4AX
Banker:	Lloyds Bank plc 25 Gresham Street London EC2V 7HN

HARMONI HOMES LIMITED
Annual Report and Financial Statements
For the year ended 31 March 2019

The Directors present the Annual Report and the audited financial statements of Harmoni Homes Limited for the year ended 31 March 2019.

STRATEGIC REPORT

Who we are

Harmoni Homes Limited is a 100% subsidiary of United Welsh Housing Association Limited (United Welsh). The principal activity of Harmoni Homes is to manage the development of new affordable housing stock for United Welsh.

Harmoni Homes Limited was established to manage design and build contracts. The Company seeks to develop and provide high quality homes in South East Wales.

Financial and operating performance highlights

The Company was incorporated in Wales on 18th August 2017 and commenced trading in February 2018.

The Company does not have any direct employees and administration services are purchased from United Welsh. Total profit before tax was £25,000 and this will be gifted to the parent undertaking.

During the period Harmoni Homes Limited managed the construction of 21 new properties. A total of 82 properties are forecast to be handed over in 2020. There were 68 homes under construction at 31st March 2019.

Principal risks and uncertainties

The Company's structure exposes it to a limited number of financial and operational risks and uncertainties. The key risk is timing mismatch between income and payments that may place pressure on the cash available to the Company. The Company actively manages its cash to ensure sufficient funds are available for ongoing operations and future developments.

The Company has considered the risks to our activities potentially arising from the UK's planned departure from the European Union and conclude there will be minimal impact.

As a result of this review, the Board judges that sufficiently robust contingency arrangements are in place to ensure that a UK departure from the European Union will have little immediate impact on the Groups activities.

HARMONI HOMES LIMITED
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For the year ended 31 March 2019


Going concern

After considering the Company's activities, together with factors likely to affect its future development, financial position and risks, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The future plans for the Company are in line with current operations. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Governance

The Directors are appointed and reviewed on an annual basis by the Parent Company, United Welsh.

By order of the Directors

A handwritten signature in black ink, appearing to be 'P Stokes', with a stylized, flowing script.

P Stokes
Director

Harmoni Homes Limited
Y Borth
13 Beddau Way
Caerphilly
CF83 2AX
27 June 2019

HARMONI HOMES LIMITED
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DIRECTORS' REPORT

Principal activity

The Directors present their report and the audited financial statements of the Company for the year ending 31 March 2019. The principal activity of Harmoni Homes Limited is to provide a construction management service.

Directors

The Directors who held office during the year were as follows:

Grahame Sturges

Phillip Stokes

Lynda Sagona	appointed	28.09.18
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Gareth Hexter	resigned	01.05.19
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Richard Mann	resigned	28.09.18
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Proposed dividend

No dividend has been proposed or paid in the period.

Disclosure of information to auditor

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 auditor is unaware; and each Director has taken all the 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 that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Directors



P Stokes
Director

Harmoni Homes Limited
Y Borth
13 Beddau Way
Caerphilly
CF83 2AX
27 June 2019

HARMONI HOMES LIMITED
Annual Report and Financial Statements
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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, the Directors' Report and 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

HARMONI HOMES LIMITED
Annual Report and Financial Statements
For the year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARMONI HOMES LIMITED

Opinion

We have audited the financial statements of Harmoni Homes Limited ("the Company") for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

HARMONI HOMES LIMITED
Annual Report and Financial Statements
For the year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARMONI HOMES LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information, which comprises the strategic report and the Directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the Directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

HARMONI HOMES LIMITED
Annual Report and Financial Statements
For the year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARMONI HOMES LIMITED (CONTINUED)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Victoria Sewell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Date: 3 July 2019

HARMONI HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Turnover	2	6,153	7,293
Cost of sales		(6,083)	(7,222)
Gross profit		70	71
Administration expenses		(45)	(68)
	3	25	3
Interest payable		-	-
Profit for the period		25	3
Other comprehensive income		-	-
Total comprehensive income for the period		25	3

The above results relate entirely to continuing activities.

STATEMENT OF CHANGES IN EQUITY

	2019 £'000	2018 £'000
Balance at beginning of year	-	-
Total comprehensive income for the year		
Profit for the period	25	3
Transactions recorded directly in equity		
Gift aid payment	(25)	(3)
Balance at end of year	-	-

All movements are within reserves with no changes to share capital in either year.

HARMONI HOMES LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31st March 2019

	Notes	2019 £'000	2018 £'000
Tangible fixed assets		-	-
Current assets			
Debtors	6	677	430
Cash and cash equivalents		25	42
		<u>702</u>	<u>472</u>
Creditors: amounts falling due within one year	7	<u>(702)</u>	<u>(472)</u>
Net current assets		-	-
Total assets less current liabilities		-	-
Net assets		-	-
Capital and reserves			
Share capital	9	-	-
Reserves		-	-
Shareholder's funds		<u>-</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 27 June 2019 and signed on its behalf by:



P Stokes
Director



L Sagona
Director

Company registration number: 10923446

The notes on pages 11 to 13 form part of these financial statements.

HARMONI HOMES LIMITED

For the year ended 31 March 2019

Notes to the financial statements

1. Accounting policies

Harmoni Homes Limited is a private Company limited by shares and incorporated in Wales. Its registered office address is on page 1.

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

The Company's parent undertaking United Welsh includes the Company in its consolidated financial statements. The consolidated financial statements of United Welsh Group are prepared in accordance with FRS102 and available to the public and may be obtained from its registered office at Y Borth, 13 Beddau Way, Caerphilly, CF83 2AX.

FRS102 is mandatory for accounting periods beginning on or after 1 January 2015. The Company has applied the standard to the financial accounts for the year ended 31 March 2019.

These financial statements have been prepared in accordance with the revised Section 29 of FRS 102 issued in March 2018. Although mandatory adoption is only required for accounting periods commencing from 1st January 2019, the Company has chosen to adopt these from incorporation.

Disclosure exemptions

As the Company is a wholly owned subsidiary of United Welsh Housing Association Limited the Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland :

- the requirements of Section 7 Statement of Cashflows
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d)
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

Turnover

Turnover represents amounts receivable for the sale of construction management services. All turnover arises in the UK only.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the services provided net of Value Added Tax.

2. Turnover

	2019	2018
	£'000	£'000
Construction of social housing	6,153	7,293
	<hr/>	<hr/>

HARMONI HOMES LIMITED**For the year ended 31 March 2019****Notes to the financial statements (continued)****3. Operating profit**

	2019 £'000	2018 £'000
Operating profit is stated after charging:		
Auditor's remuneration	3	3
	<hr/>	<hr/>

4. Staff costs during the year

The Company does not employ any direct staff. No remuneration was paid to members of the Board of Directors during the year.

5. Tax on profit on ordinary activities

	2019 £'000	2018 £'000
Factors affecting the current tax charge		
Profit for the year	<hr/> 25 <hr/>	<hr/> 3 <hr/>
Profit for the year multiplied by standard rate of tax in the UK 19%	5	1
Gift Aid	<hr/> (5) <hr/>	<hr/> (1) <hr/>
Total tax charge	<hr/> - <hr/>	<hr/> - <hr/>

Reductions in the UK corporation tax rate from 20% (effective from 1 April 2015) to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax liability at 31 March 2019 has been calculated based on these rates.

HARMONI HOMES LIMITED
For the year ended 31 March 2019

Notes to the financial statements (continued)

	2019	2018
	£'000	£'000
6. Debtors		
Other debtors	45	25
Intercompany account	632	405
	<u>677</u>	<u>430</u>
7. Creditors: amounts falling due within one year	£'000	£'000
Trade and other creditors	677	417
Intercompany account	25	55
	<u>702</u>	<u>472</u>
8. Ultimate Parent Company		
The Company is a subsidiary undertaking of United Welsh who own 100% of the Company's shares. The consolidated financial statements of these groups are available to the public and may be obtained from the registered address shown on page 1.		
9. Called up share capital	2019	2018
	£	£
Allotted, called up and fully paid Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
10. Capital commitments	2019	2018
	£'000	£'000
Contracted less certified	<u>13,075</u>	<u>17,133</u>