

Registered number 10923446

ANNUAL REPORT AND FINANCIAL STATEMENTS

**HARMONI HOMES LIMITED
FOR THE PERIOD ENDED 31 MARCH 2018**

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HARMONI HOMES LIMITED
Annual Report and Financial Statements
For the period ended 31 March 2018

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HARMONI HOMES LIMITED
Annual Report and Financial Statements
For the period ended 31 March 2018

COMPANY INFORMATION

Directors: Grahame Sturges
Phillip Stokes
Gareth Hexter
Richard Mann

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
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The Directors present the Annual Report and the audited financial statements of Harmoni Homes Limited for the period 18th August 2017 to 31 March 2018.

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 on land that is owned by United Welsh, the Company seeks to develop and provide high quality homes in South East Wales.

Financial and operating performance highlights

These are the first full financial statements of Harmoni Homes Limited. 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 £3,000 and this will be gifted to the parent undertaking.

During the period Harmoni Homes Limited managed the construction of 37 new properties. A total of 66 properties are forecast to be handed over in 2019. There were 103 homes under construction at 31st March 2018.

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.

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. 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, consisting of a stylized 'P' followed by a wavy line.

P Stokes
Director

Harmoni Homes Limited
Y Borth
13 Beddau Way
Caerphilly
CF83 2AX
28 June 2018

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DIRECTORS' REPORT

Principal activity

The Directors present their report and the audited financial statements of the Company for the period 18th August 2017 to 31 March 2018. The principal activity of Harmoni Homes Limited as mentioned above is to provide a construction management service.

Directors

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

Grahame Sturges
Phillip Stokes
Gareth Hexter
Richard Mann

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 auditors appointed for the first period end of the Company are KPMG LLP.

By order of the Directors



P Stokes
Director

Harmoni Homes Limited
Y Borth
13 Beddau Way
Caerphilly
CF83 2AX
28 June 2018

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 FRS 102 *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 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.

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 period ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, 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 2018 and of its profit for the period 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period
- 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.

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.

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 2018

HARMONI HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the period 18th August 2017 to 31 March 2018

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

The above results relate entirely to continuing activities.

STATEMENT OF CHANGES IN EQUITY

	2018 £'000
Balance at beginning of year	-
Total comprehensive income for the period	3
Profit for the period	
Transactions recorded directly in equity	
Gift aid payment	(3)
The notes on pages 10 to 11 form part of these financial statements.	-


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


HARMONI HOMES LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31st March 2018

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

The financial statements were approved by the Board of Directors on 28 June 2018 and signed on its behalf by:


P Stokes
Director


G Hexter
Director

Company registration number: 10923446

The notes on pages 10 to 11 form part of these financial statements.

HARMONI HOMES LIMITED

For the period 18th August 2017 to 31 March 2018

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 period ended 31 March 2018.

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 1st April 2017.

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

	2018 £'000
Construction of Social Housing	7,293
	<hr/>

3. Operating profit

	2018 £'000
Operating profit is stated after charging:	
Auditor's remuneration	3
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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.

HARMONI HOMES LIMITED

For the period 18th August 2017 to 31 March 2018

Notes to the financial statements (continued)

	2018
5. Stock	£'000
Work in progress	<u>-</u>
6. Debtors	£'000
Other debtors	25
Intercompany account	405
	<u>430</u>
7. Creditors: amounts falling due within one year	£'000
Trade and other creditors	417
Intercompany account	55
	<u>472</u>
8. Ultimate Parent Company	
The Company is controlled by United Welsh who own 100% of the Company's shares and are the ultimate controlling party.	
9. Called up share capital	2018
	£
Allotted, called up and fully paid	
Ordinary shares of £1 each	<u>1</u>
10. Contingent liability commitments	2018
	£'000
Contracted less certified	17,133