



Heather Housing Limited
Unaudited Financial Statements
For the year ended 31 December 2016



Company No. 07713632

Company information

Company registration number

07713632

Registered office

7th And 8th Floor
Quayside Tower
Broad Street
Birmingham
B1 2HF

Director

Ivan Hercus
Ben Westran

Bankers

Barclays Bank PLC
Corporate Banking
4th Floor Bridgwater House
Counterslip
Finzels Reach
Bristol
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Solicitors

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St James' House
St James' Square
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Report of the Directors

The Directors present their report and the financial statements of the Company for the year ended 31 December 2016.

Principal activities

The principal activity of the Company during the year continued to be that of an unregistered social landlord.

Results and dividends

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The Company made a profit for the year of £11,852 (2015: loss of £2,817).

The directors have not recommended a dividend for 2016 or 2015.

Director

The Directors who served the Company during the year were as follows:

Ivan Hercus

Ben Westran (appointed 27 October 2016)

Directors' responsibilities

The Directors are responsible for preparing 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

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

Small companies provisions

The Report of the Directors has been prepared in accordance with the special provisions for small companies under Section 415A of the Companies Act 2006, therefore an Enhanced Business Review is not presented.

Report of the Directors - continued

This report was approved by the Board on 18 July 2017 and is signed on its behalf.

A handwritten signature in black ink, appearing to be 'Ben Westran', followed by a horizontal line.

Ben Westran
Director

Principal accounting policies

Statement of compliance

Heather Housing Limited is a limited liability company incorporated in the United Kingdom. Its registered office is 7th And 8th Floor, Quayside Tower, Broad Street, Birmingham, B1 2HF.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2016.

Basis of accounting

The financial statements of Heather Housing Limited have been prepared in accordance with applicable accounting standards, including FRS 102, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for any modification to a fair value basis for certain financial instruments specified in the accounting policies below. The financial statements are presented in Sterling (£).

Summary of disclosure exemptions

The Company has taken advantage of the reduced disclosures for subsidiary entities provided for in FRS 102 and has therefore not provided a Statement of Cash Flows or certain disclosures in respect of share based payments. The Company has also taken advantage of the exemption from disclosing key management personnel compensation.

Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Tangible assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property improvements	-	over the period of the lease
Fixtures, fittings and equipment	-	25% per annum, reducing balance

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Retirement Benefits

Defined contribution pension schemes

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

Taxation

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Principal accounting policies - continued

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only where it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Financial instruments

Financial assets and liabilities are recognised in the Balance Sheet when the Company becomes party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

Financial assets

Basic financial assets, including trade and other debtors, amounts owed by Group companies, cash and cash equivalents, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Cash and cash equivalents include cash at bank and in hand and bank deposits available with no notice or less than three months' notice from inception that are subject to an insignificant risk of changes in value. Bank overdrafts are presented as current liabilities to the extent that there is no right of offset with cash balances.

Financial liabilities

Basic financial liabilities, including trade and other creditors, accrued expenses, and amounts owed to Group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities are derecognised when the liability is extinguished; that is, when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Profit and loss account

	Note	2016 £	2015 £
Turnover	1	70,057	81,495
Cost of sales		<u>(27,196)</u>	<u>(64,383)</u>
Gross profit		42,861	17,112
Other operating charges		<u>(32,880)</u>	<u>(15,982)</u>
Operating profit	2	9,981	1,130
Net interest	3	<u>(29)</u>	-
Profit on ordinary activities before tax		9,952	1,130
Tax on profit on ordinary activities	4	<u>1,900</u>	<u>(3,947)</u>
Profit/(loss) for the financial year		<u><u>11,852</u></u>	<u><u>(2,817)</u></u>

All of the activities of the Company are classed as continuing.

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance sheet

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	<u>127,856</u>	<u>131,936</u>
Current assets			
Debtors	6	16,246	16,179
Cash at bank and in hand		<u>13,467</u>	<u>21,052</u>
		29,713	37,231
Creditors: amounts falling due within one year	7	<u>-</u>	<u>(5,242)</u>
Net current assets		<u>29,713</u>	<u>31,989</u>
Total assets less current liabilities		157,569	163,925
Creditors due after more than one year	8	<u>(149,829)</u>	<u>(168,037)</u>
		<u>7,740</u>	<u>(4,112)</u>
Capital and reserves			
Called up share capital		-	-
Profit and loss account		<u>7,740</u>	<u>(4,112)</u>
Shareholder's funds		<u>7,740</u>	<u>(4,112)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The member has not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledges their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved and authorised for issue by the Directors and are signed on their behalf on 18 July 2017.



Ben Westran
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of changes in equity

	Profit and loss account £
At 1 January 2015	<u>(1,295)</u>
Loss for the year	<u>(2,817)</u>
Total comprehensive income	<u>(2,817)</u>
At 31 December 2015	<u>(4,112)</u>
	Profit and loss account £
At 1 January 2016	<u>(4,112)</u>
Profit for the year	<u>11,852</u>
Total comprehensive income	<u>11,852</u>
At 31 December 2016	<u>7,740</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company. All turnover is derived from within the United Kingdom.

2 Operating profit

Operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	4,080	2,456
Operating lease rentals:		
- land and buildings	<u>-</u>	<u>5,000</u>

3 Net interest

	2016 £	2015 £
Other interest paid	<u>(29)</u>	<u>-</u>

4 Taxation on ordinary activities

	2016 £	2015 £
Analysis of charge in the year		
Current tax:		
UK Corporation tax based on the results for the year	-	1,851
Adjustment in respect of prior periods	<u>(1,900)</u>	<u>2,096</u>
Tax on profit on ordinary activities	<u>(1,900)</u>	<u>3,947</u>

Notes to the financial statements (continued)

4 Taxation on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. During the period the average corporation tax rate was 20% (2015: 20.25%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>9,952</u>	<u>1,130</u>
Profit on ordinary activities multiplied by standard rate of tax	<u>1,990</u>	<u>229</u>
Effects of:		
Expenses not deductible for tax purposes	-	2,227
Depreciation for period in excess of capital allowances	816	(605)
Tax increase (decrease) arising from group relief	(2,806)	-
Adjustment to tax in respect of prior periods	<u>(1,900)</u>	<u>2,096</u>
Total tax (credit)/charge for the year	<u>(1,900)</u>	<u>3,947</u>

5 Tangible fixed assets

	Freehold property £	Leasehold property improvements £	Furniture, fittings and equipment £	Total £
Cost or valuation				
At 1 January 2016	<u>110,000</u>	<u>14,179</u>	<u>11,700</u>	<u>135,879</u>
At 31 December 2016	<u>110,000</u>	<u>14,179</u>	<u>11,700</u>	<u>135,879</u>
Depreciation				
At 1 January 2016	-	2,903	1,040	3,943
Charge for the year	-	<u>1,416</u>	<u>2,664</u>	<u>4,080</u>
At 31 December 2016	<u>-</u>	<u>4,319</u>	<u>3,704</u>	<u>8,023</u>
Carrying amount				
At 31 December 2016	<u>110,000</u>	<u>9,860</u>	<u>7,996</u>	<u>127,856</u>
At 31 December 2015	<u>110,000</u>	<u>11,276</u>	<u>10,660</u>	<u>131,936</u>

Notes to the financial statements (continued)

6 Debtors

	2016	2015
	£	£
Other debtors	15,686	15,686
Prepayments and accrued income	511	493
Corporation tax	49	-
	<u>16,246</u>	<u>16,179</u>

7 Creditors: amounts falling due within one year

	2016	2015
	£	£
Corporation tax	-	5,242

8 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Amounts owed to group undertakings	<u>149,829</u>	<u>168,037</u>

9 Financial instruments

The Company has the following financial instruments:

	2016	2015
	£	£
Financial assets that are debt instruments measured at amortised cost		
Other debtors	<u>15,686</u>	<u>15,686</u>
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings	<u>149,829</u>	<u>168,037</u>

The Company uses financial instruments, other than derivatives, comprising borrowings, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the Company's operations. The Company has no interests in the trade of financial instruments, interest rate swaps or forward interest rate agreements.

The Company charges or pays interest at market rate on intragroup loans classified as financing transactions.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk.

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company has no overdraft.

Notes to the financial statements (continued)

9 Financial instruments (continued)

Trade debtors are normally due within 30 to 60 days. All trade debtors are subject to credit risk exposure. However there is no specific concentration of credit risk as the amounts recognised represent a large number of receivables from various customers.

10 Leasing commitments

Finance leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	20,000	-
Later than one year and not later than five years	<u>20,000</u>	<u>-</u>
	<u>40,000</u>	<u>-</u>

Operating lease payments represents rentals payable by the Group for certain of its office properties, the hire of vehicles and the hire of other equipment. These leases have durations ranging from three to 15 years. No arrangements have been entered into in respect of contingent rental payments.