

**NHBC Services Limited**  
**Financial Statements**  
**31 March 2017**

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COMPANIES HOUSE

# **NHBC Services Limited**

## **Financial Statements**

**Year ended 31 March 2017**

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# **NHBC Services Limited**

## **Directors' Report**

### **Year ended 31 March 2017**

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The directors present their report and the financial statements of the company for the year ended 31 March 2017.

#### **Directors**

The directors who served the company during the year were as follows:

A Gorst  
N Jefferson  
T Kitchen  
C Stokes

#### **Directors' responsibilities statement**

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). 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 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 judgments and accounting estimates that are reasonable and prudent.

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.

#### **Auditor**

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 that information.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

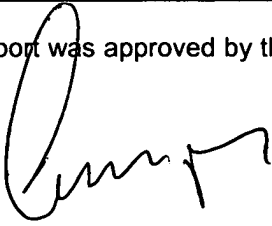
# **NHBC Services Limited**

## **Directors' Report** *(continued)*

**Year ended 31 March 2017**

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This report was approved by the board of directors on 25 July 2017 and signed on behalf of the board by:



J Hastings  
Company Secretary

Registered office:  
NHBC House  
Davy Avenue  
Knowlhill  
Milton Keynes  
Bucks  
MK5 8FP

# **NHBC Services Limited**

## **Independent Auditor's Report to the Shareholder of NHBC Services Limited**

**Year ended 31 March 2017**

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We have audited the financial statements of NHBC Services Limited for the year ended 31 March 2017, on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# NHBC Services Limited

## Independent Auditor's Report to the Shareholder of NHBC Services Limited

(continued)

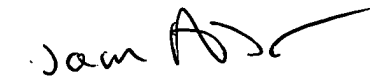
Year ended 31 March 2017

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.



Adam Addis (Senior Statutory Auditor)

For and on behalf of  
Deloitte LLP  
Statutory Auditor  
London, UK

25 July 2017

# NHBC Services Limited

## Statement of Income and Retained Earnings

Year ended 31 March 2017

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|  |        | 2017                  | 2016                    |
|--|--------|-----------------------|-------------------------|
|  |        | £                     | £                       |
| Turnover   | Note 4 | 5,816,649             | 5,586,769               |
| Gross profit   |        | <u>5,816,649</u>      | <u>5,586,769</u>        |
| Administrative expenses                                      |        | 5,100,763             | 5,198,009               |
| Operating profit   |        | <u>715,886</u>        | <u>388,760</u>          |
| Profit on ordinary activities before taxation                |        | <u>715,886</u>        | <u>388,760</u>          |
| Tax on profit on ordinary activities                         | 8      | <u>141,981</u>        | <u>(972)</u>            |
| Profit for the financial year and total comprehensive income |        | <u><u>573,905</u></u> | <u><u>389,732</u></u>   |
| Retained losses at the start of the year                     |        | <u>(468,128)</u>      | <u>(857,860)</u>        |
| Retained earnings/(losses) at the end of the year            |        | <u><u>105,777</u></u> | <u><u>(468,128)</u></u> |

All the activities of the company are from continuing operations.

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The notes on pages 7 to 10 form part of these financial statements.

# NHBC Services Limited

## Statement of Financial Position

31 March 2017

|   | Note | 2017<br>£        | 2016<br>£        |
|---|------|------------------|------------------|
| <b>Current assets</b>                                 |      |                  |                  |
| Debtors   | 9    | 1,578,932        | 1,959,865        |
| Cash at bank and in hand                              |      | 145,162          | 310,764          |
|   |      | <u>1,724,094</u> | <u>2,270,629</u> |
| <b>Creditors: amounts falling due within one year</b> | 10   | 1,568,317        | 2,688,757        |
| <b>Net current assets/(liabilities)</b>               |      | <u>155,777</u>   | <u>(418,128)</u> |
| <b>Total assets less current liabilities</b>          |      | <u>155,777</u>   | <u>(418,128)</u> |
| <b>Net assets/(liabilities)</b>                       |      | <u>155,777</u>   | <u>(418,128)</u> |
| <b>Capital and reserves</b>                           |      |                  |                  |
| Called up share capital                               | 12   | 50,000           | 50,000           |
| Profit and loss account                               | 13   | 105,777          | (468,128)        |
| <b>Shareholder funds/(deficit)</b>                    |      | <u>155,777</u>   | <u>(418,128)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 25 July 2017, and are signed on behalf of the board by:

A Gorst  
Director



N Jefferson  
Chairman



Company registration number: 03067703

The notes on pages 7 to 10 form part of these financial statements.



# **NHBC Services Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2017**

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### **1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **2. Legal form and operating activities**

NHBC Services Limited is a limited company incorporated in the United Kingdom. The principal activity of the Company was the provision of an integrated set of services to the house-building and construction industry. Consultancy services offered related to health and safety, energy, sustainability, engineering, training, testing, quality inspection, and information.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of National House-Building Council which can be obtained from The Secretary, NHBC, NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Bucks, MK5 8FP. As such, advantage has been taken of the disclosure exemptions available under paragraph 1.12 of FRS 102.

No cash flow statement has been presented for the Company.

Disclosures in respect of financial instruments have not been presented.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

# NHBC Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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### 3. Accounting policies *(continued)*

#### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### 4. Turnover

Turnover arises from:

|                       | 2017<br>£        | 2016<br>£        |
|-----------------------|------------------|------------------|
| Rendering of services | <u>5,816,649</u> | <u>5,586,769</u> |

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Auditor's remuneration

|  | 2017<br>£    | 2016<br>£    |
|--|--------------|--------------|
| Fees payable for the audit of the financial statements | <u>5,150</u> | <u>5,000</u> |

### 6. Employee information

There were no direct employees of the Company during the year (2016: Nil). The salary costs incurred in the year relate to employees of the National House-Building Council, which makes a recharge to the Company in respect of their services.

### 7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

|              | 2017<br>£      | 2016<br>£     |
|--------------|----------------|---------------|
| Remuneration | <u>114,766</u> | <u>99,388</u> |

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# NHBC Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 8. Tax on profit on ordinary activities

#### Major components of tax expense/(income)

|  | 2017<br>£      | 2016<br>£    |
|--|----------------|--------------|
| <b>Current tax:</b>                            |                |              |
| UK current tax expense                         | 147,063        | –            |
| <b>Deferred tax:</b>                           |                |              |
| Origination and reversal of timing differences | (5,082)        | (972)        |
| <b>Tax on profit on ordinary activities</b>    | <u>141,981</u> | <u>(972)</u> |

#### Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

|  | 2017<br>£      | 2016<br>£    |
|--|----------------|--------------|
| Profit on ordinary activities before taxation      | 715,886        | 388,760      |
| Profit on ordinary activities by rate of tax       | 143,177        | 77,752       |
| Effect of expenses not deductible for tax purposes | 75             | 246          |
| Utilisation of tax losses                          | –              | (77,856)     |
| Origination and reversal of timing differences     | 1,067          | –            |
| Transfer pricing adjustment                        | (3,000)        | –            |
| Re-measurement of deferred tax                     | 1,729          | (1,114)      |
| <b>Tax on profit on ordinary activities</b>        | <u>143,048</u> | <u>(972)</u> |

### 9. Debtors

|                    | 2017<br>£        | 2016<br>£        |
|--------------------|------------------|------------------|
| Trade debtors      | 1,255,540        | 1,173,653        |
| Deferred tax asset | 9,525            | 4,443            |
| Other debtors      | 313,867          | 781,769          |
|                    | <u>1,578,932</u> | <u>1,959,865</u> |

### 10. Creditors: amounts falling due within one year

|   | 2017<br>£        | 2016<br>£        |
|---|------------------|------------------|
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 92,412           | 1,019,083        |
| Corporation tax   | 147,063          | –                |
| Social security and other taxes   | 315,678          | 284,587          |
| Other creditors   | 1,013,164        | 1,385,087        |
|   | <u>1,568,317</u> | <u>2,688,757</u> |

# NHBC Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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### 11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

|                              | 2017         | 2016         |
|------------------------------|--------------|--------------|
|                              | £            | £            |
| Included in debtors (note 9) | <u>9,525</u> | <u>4,443</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

|                                | 2017         | 2016         |
|--------------------------------|--------------|--------------|
|                                | £            | £            |
| Accelerated capital allowances | <u>9,525</u> | <u>4,443</u> |

### 12. Called up share capital

Issued, called up and fully paid

|                            | 2017          |               | 2016          |               |
|----------------------------|---------------|---------------|---------------|---------------|
|                            | No            | £             | No            | £             |
| Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> |

### 13. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 14. Controlling party

National House-Building Council ("NHBC") a company limited by guarantee and registered in England, is the Company's immediate, ultimate, smallest and largest parent company. Copies of the financial statements of the NHBC can be obtained from The Secretary, NHBC, NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Bucks, MK5 8FP.