

Company No. 03337048

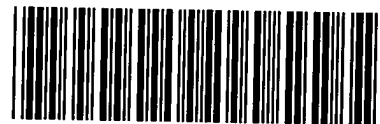
**Orwell Homes Limited**

Report and Financial Statements

Year Ended

31 December 2014

FRIDAY



\*A442THGZ\*

A26

27/03/2015

#247

COMPANIES HOUSE

# **ORWELL HOMES LIMITED**

## **Annual report and financial statements for the year ended 31 December 2014**

---

### **Contents**

#### **Page:**

2	Officers and general information
3	Report of the directors
5	Report of the independent auditor
6	Profit and loss account
7	Statement of total recognised gains and losses
8	Balance sheet
9	Notes forming part of the financial statements

## **ORWELL HOMES LIMITED**

### **Officers and general information**

---

#### **Directors at the date of this report**

Ian Beaumont - Chair  
Martin Bennett ACII (appointed 26 March 2014)  
Steven Cook FCIH  
Wendy Evans-Hendrick BA (Hons) Dip DM DMS  
Stephen Javes MBA Bsc(Hons) DMS FCIH MIEH  
David McAllister (resigned 26 March 2014)

#### **Secretary**

Christopher Wyer FCCA

#### **Registered Office**

Crane Hill Lodge, 325 London Road, Ipswich, Suffolk IP2 0BE (Telephone: 01473 218818)

#### **Bankers**

Lloyds TSB Bank plc, 13 Cornhill, Ipswich, Suffolk, IP1 1DG

#### **Independent Auditor**

Baker Tilly UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk IP32 7FA

#### **Company Number**

03337048

## **ORWELL HOMES LIMITED**

### **Report of the directors for the year ended 31 December 2014**

---

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

#### **Principal activities**

The company's principal activities are the provision of construction services to the parent company Orwell Housing Association Limited, together with the development of residential housing, although there has not been any active residential housing development in 2014.

#### **Results**

The profit and loss account is set out on page 6 and shows the result for the year.

#### **Directors**

The directors of the company who held office during the year are as listed on page 2.

#### **Third party indemnity provision for Directors and Officers**

Qualifying third party indemnity provision is in place for the benefit of all directors and officers of the company.

#### **Directors' responsibilities**

The directors are responsible for preparing the Annual 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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 to enable them to ensure that the financial statements comply with the requirements of 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.

## **ORWELL HOMES LIMITED**

### **Report of the directors for the year ended 31 December 2014 (continued)**

---

#### **Statement as to disclosure of information to auditors**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **Going concern**

In the opinion of the Board, the company has adequate resources to continue in operation for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.


#### **Auditor**

Baker Tilly UK Audit LLP has indicated its willingness to continue in office. A resolution to re-appoint Baker Tilly UK Audit LLP as auditors will be proposed at the Annual General Meeting.

#### **Small company exemptions**

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

#### **On behalf of the Board**

  
Ian Beaumont  
Chair

25 March 2015

## ORWELL HOMES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ORWELL HOMES LIMITED

We have audited the financial statements on pages 6 to 13. 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).

This report is made solely to the company's member 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 member those matters we are required to state to it 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 member for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

#### Scope of the audit

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### Opinion on the 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 December 2014 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.

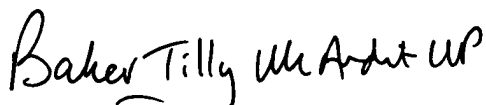
#### Opinion on other matter prescribed by the Companies Act 2006

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.

#### 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; or
- 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 from the requirement to prepare a strategic report or in preparing the directors' report.



PETER HOWARD (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

25/03/15

## ORWELL HOMES LIMITED

### Profit and loss account for the year ended 31 December 2014

---

	Note	2014 £	2013 (restated) £
Turnover	2	5,809,654	5,536,401
Cost of sales		(5,571,119)	(5,420,491)
Gross profit		238,535	115,910
Other operating expenses	3	(91,473)	(65,282)
Operating profit		147,062	50,628
Interest receivable	4	7,982	6,109
Profit on ordinary activities before taxation	5	155,044	56,737
Taxation	7	-	-
Profit for the financial year	11,12	155,044	56,737

The operating profit for the period arises from the company's continuing activities.

The notes on pages 9 to 13 form part of these financial statements.

## ORWELL HOMES LIMITED

### Statement of total recognised gains and losses for the year ended 31 December 2014

---

	Note	2014 £	2013 (restated) £
<b>Profit for the financial year</b>	11	<b>155,044</b>	<b>56,737</b>
Total recognised gains and losses relating to the year		<b>155,044</b>	<b>56,737</b>
Prior year adjustment	16	<b>(56,737)</b>	
<b>Total gains and losses recognised since the last annual report</b>	12	<b>98,307</b>	

The notes on pages 9 to 13 form part of these financial statements.



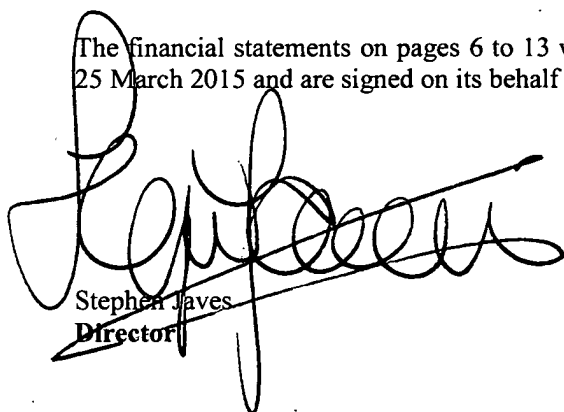
**ORWELL HOMES LIMITED****Balance sheet at 31 December 2014**

Company No. 03337048

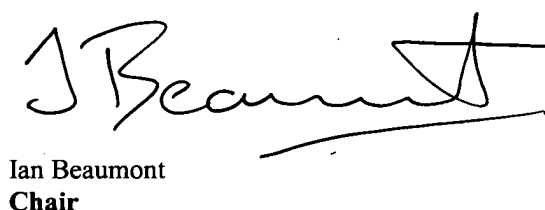
	Note	31 December 2014 £	31 December 2013 (restated) £
<b>Current assets</b>			
Debtors	8	879,060	369,092
Cash at bank and in hand		53,135	466,149
		<u>932,195</u>	<u>835,241</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(776,487)</u>	<u>(777,840)</u>
<b>Net assets</b>		<u>155,708</u>	<u>57,401</u>
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account	11	155,706	57,399
<b>Shareholder's funds</b>	12	<u>155,708</u>	<u>57,401</u>

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

The financial statements on pages 6 to 13 were approved by the Board of directors and authorised for issue on 25 March 2015 and are signed on its behalf by:



Stephen Javes  
Director



Ian Beaumont  
Chair

The notes on pages 9 to 13 form part of these financial statements

# ORWELL HOMES LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2014

---

### 1 Accounting policies

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

#### *Going concern*

In the opinion of the Board, the company has adequate resources to continue in operation for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

#### *Turnover*

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business. Turnover is shown net of Value Added Tax. It includes goods sold and services provided to customers and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty.

#### *Work in progress*

Long-term contracts are assessed on a contract by contract basis and are reflected in the income and expenditure account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as 'amounts recoverable on contracts' and included in debtors; to the extent that payments on account exceed relevant turnover, the excess is included as a creditor. Full provision is made for all known or expected losses on individual contracts.

Where contracts have started but are not at a stage where turnover can be recognised, the cost of raw materials and labour together with attributable overheads are recognised as work in progress.

#### *Cash flow statement*

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company and is included in the consolidated accounts, which includes a consolidated cashflow statement, of its parent entity.

### 2 Turnover

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom.

### 3 Other operating expenses

	2014 £	2013 £
Administration expenses	91,473	65,282

# ORWELL HOMES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

## 4 Interest receivable

	2014 £	2013 £
On bank and building society deposits	<u>7,982</u>	<u>6,109</u>

## 5 Profit on ordinary activities before taxation

	2014 £	2013 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration		
As auditors	<u>2,600</u>	<u>2,500</u>

## 6 Employees

The directors were the only employees of the company during the year. No amounts were paid during the period in respect of directors' emoluments and there were no related social security costs. Services were provided by certain staff of Orwell Housing Association Limited and the related costs are included in other operating expenses.

## 7 Taxation

	2014 £	2013 £
Current tax:		
UK Corporation tax on profits of current year	-	-
Adjustment in respect of prior year	-	-
	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year:

The tax assessed for the period is different to the standard rate of corporation tax for small companies of 20% (2013 – 20%) as explained below:

	2014 £	2013 (restated) £
Profit on ordinary activities before tax	<u>155,044</u>	<u>56,737</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax for small companies	<u>31,009</u>	<u>11,347</u>
Gift aid paid post year end	<u>(31,009)</u>	<u>(11,347)</u>
	<u>-</u>	<u>-</u>

## ORWELL HOMES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

### 8 Debtors

	2014 £	2013 £
Due within one year:		
Group company debtors	870,599	163,657
VAT recoverable	3,942	6,009
Amounts recoverable on contracts	4,519	199,426
	<u>879,060</u>	<u>369,092</u>

### 9 Creditors: amounts falling due within one year

	2014 £	2013 (restated) £
Payments on account of long term work in progress	119,122	123,300
Trade creditors	336,178	234,325
Group company creditors	11,022	195,291
Contractors for certificate work and unpaid retentions	304,691	217,775
Other creditors and accruals	5,474	7,149
	<u>776,487</u>	<u>777,840</u>

### 10 Share capital

	2014 £	2013 £
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

## ORWELL HOMES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

### 11 Reserves – profit and loss account

	2014 £	2013 £
Opening reserves – as previously reported	662	662
Prior year adjustment	56,737	23,872
Opening reserves – as restated	57,399	24,534
Profit for the financial year	155,044	56,737
Gift aid distribution	(56,737)	(23,872)
Closing reserves	155,706	57,399

### 12 Reconciliation of movement in shareholder's funds

	2014 £	2013 £
Opening shareholder's funds – as previously reported	664	664
Prior year adjustment	56,737	23,872
Opening shareholder's funds – as restated	57,401	24,536
Profit for the financial year	155,044	56,737
Gift aid distribution	(56,737)	(23,872)
Closing shareholder's funds	155,708	57,401

### 13 Other financial commitments

	2014 £	2013 £
Expenditure contracted, less certified	2,952,000	3,197,900

The above expenditure will be financed by contractual arrangements in place with the parent company.

### 14 Related party transactions

The ultimate controlling party is Orwell Housing Association Limited. Advantage has been taken of the exemption under FRS8 not to disclose details of transactions and balances with the parent company as the company is a 100% subsidiary and included in the parent company's consolidated accounts.

### 15 Ultimate parent company

In the opinion of the directors, the company's immediate and ultimate holding company is Orwell Housing Association Limited, a Registered Provider and a company limited by guarantee and incorporated in England. A copy of the accounts can be obtained from the Company Secretary at the registered office noted on Page 2.

## ORWELL HOMES LIMITED

Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

### 16 Prior year adjustment

Following the issuing of an ICAEW Technical Release dated 31 October 2014, Orwell Homes Limited has implemented a change in the accounting policy for amounts passed up to the parent company, Orwell Housing Association Limited, under gift aid. This change is that gift aid is now treated as a distribution rather than an expense and is accounted for in the year paid. This has resulted in gift aid now being recognised in the accounting year following that in which it was previously recognised.

The effect of the prior year adjustment on the 2013 financial statements and the balance sheet at 31 December 2013 is as follows:

	31 December 2012 £	Impact of prior year adjustment on 2013 reserves £	31 December 2013 £
<b>Balance sheet</b>			
Creditors amounts falling due within one year – group company creditors			
- as previously reported	32,121		252,028
- Less: gift aid recognised in following accounting year	(23,872)	(32,865)	(56,737)
- As restated	8,249		195,291
<b>Profit and loss account reserve</b>			
As previously reported	662		662
- Add: gift aid recognised in following accounting year	23,872	32,865	56,737
- As restated	24,534		57,399
			<b>31 December 2013 £</b>
<b>Profit for the year</b>			
- As previously reported			-
- Prior year adjustment – gift aid expenditure reversal			56,737
- As restated			56,737