



2016/17



**Floreat
Development
Ltd**

**Financial
Statements**

Company registration number: 10185982

FLOREAT DEVELOPMENT LIMITED

Financial Statements

Period ended 31 March 2017

FLOREAT DEVELOPMENT LIMITED

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FLOREAT DEVELOPMENT LIMITED

COMPANY INFORMATION

Directors

Directors as at 31st March 2017:

Graham Biggs
Sonia Higgins
Tim Ralphs
James Williamson

Secretary

Jen Hayball

Auditor

Mazars LLP
45 Church Street
Birmingham
B3 2RT

Bankers

RBS
5th Floor
2 St Philips Place
Birmingham
B3 2RB

Company number

10185982

Registered office

The Gateway
The Auction Yard
Craven Arms
Shropshire
SY7 9BW

FLOREAT DEVELOPMENT LIMITED

CHAIRMAN'S STATEMENT

I am extremely proud to bring our first annual accounts to conclusion. 2016/17 has been a busy year involving the formation of the company, appointing Board Members and embedding a governance structure that manages risk whilst exploiting the opportunities for business growth. We started 38 new affordable homes in 2016/17 for our partner South Shropshire Housing Association and 65 homes for Meres and Mosses Housing Association and completed a total of 79 affordable units which are providing much needed homes for local people in our communities.



Sonia Higgins
Chair

20th July 2017

FLOREAT DEVELOPMENT LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the period ending 31st March 2017.

MEMBERS OF THE BOARD

The members of the Board who served during the period were as follows:

Sonia Higgins (Chair) – from 31st May 2016
Graham Biggs - from 31st May 2016
Tim Ralphs – from 31st May 2016
James Williamson – from 31st May 2016

The Board reports that the Company produced a healthy surplus £59k and turnover was over £1.5 million.

INCORPORATION DETAILS

The Company was incorporated on 18th May 2016 as a private company limited by shares.

FUTURE DEVELOPMENTS

Our development pipeline is strong having secured contracts from SSHA and MMHA for their Homes and Communities funded programme, 238 homes and have a potential forward order book of a further 220 homes.

CASH FLOW AND LIQUIDITY

The cash inflow from operating activities during the period was £267k.

STATEMENT OF BOARD OF DIRECTOR'S 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 the financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period.

In preparing those financial statements, the Directors are required to:

- adopt suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting policies have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis.

The Directors are responsible for making the appropriate arrangements for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable it to ensure that the financial statements comply with the Companies Act 2006. They also have the 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.

DIRECTORS' INDEMNITY

The Directors have confirmed that the Company does have Directors and Officers insurance in place.

INTERNAL CONTROLS

The Shropshire Housing Board, on behalf of the Group and all its subsidiaries, has reviewed the effectiveness of the system of internal control, including the sources of assurance agreed by the Board as being appropriate for that purpose. On the basis of the evidence provided by the Director of Corporate Services which has been considered by the Group Board on 18th May 2017, we are satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year. We are also satisfied that those systems were aligned to an ongoing process for the management of the significant risks facing Floreat Development Limited and the Group as a whole. No weaknesses were identified which would have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

FINANCIAL INSTRUMENTS

The Company does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The Company does not enter into any hedging transactions and no trading in financial instruments is undertaken.

DISCLOSURE OF INFORMATION TO THE AUDITOR

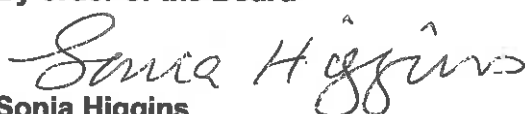
In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each of the Directors has taken all the steps that they ought to have taken as a Board member to make them aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

GOING CONCERN

After reviewing the Company's budget for 2017/18 and based on normal business planning and control procedures, the Directors of the Board have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

By order of the Board


Sonia Higgins
Chair

20th July 2017

Background

Floreat Development Limited (FDL) is an independent private limited company (registration number 10185982) formed on 18th May 2016 to undertake activities of any kind for, alongside or in furthering the objects of the parent, to act as a general commercial company.

Operating Review

Floreat Development Limited provides design and build services to South Shropshire Housing Association and Meres and Mosses Housing Association.

Reporting Structure

The Board comprises up to 5 members. The Board is responsible for the company's continuing strategy and policy framework. It delegates the day to day management and implementation of that framework to the Senior Management team. The Board now meets quarterly as a minimum.

Continuous Improvement

The Group is committed to achieving excellent performance across the whole of its business and services. The Group has a comprehensive performance management framework which ensures a clear focus on performance improvement and clear responsibility for scrutiny on performance at various levels.

The Group Board has a specific Audit and Risk Committee which meets regularly. Performance is also monitored by Senior Management Team and operational managers.

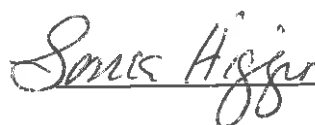
Risks and uncertainties

The Group's managers have a clear responsibility for identifying risk facing each of the areas in which they operate and for putting in place procedures to mitigate and manage risk. It is the Audit and Risk Committee's responsibility to review and assess those risks.

Financial Review

In 2016/2017 the company has generated a surplus of £59k.

The Strategic Report was approved by the Board on 20th July 2017 and signed on its behalf by:

 Sonia Higgins, Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLOREAT DEVELOPMENT LIMITED

We have audited the financial statements of for the year ended which comprise the Statement of Comprehensive Income, the Statement of Financial Position the Statement of Changes in Reserves, the Statement of Cash Flows and the related notes. 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".

Respective responsibilities of directors and the auditor

As explained more fully 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 Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at 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 and of its profit [loss] 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report. 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.

Lee Cartwright

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Address 45 CHURCH ST, BIRMINGHAM, B3 2RT

Date 07 August 2017

FLOREAT DEVELOPMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the period ending 31 March 2017

	Note	2017 £'000
TURNOVER	2	1,590
Operating costs	2	(1,516)
OPERATING SURPLUS	2	74
Profit on sale of fixed assets		-
SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST		74
Finance income	3	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	74
Taxation on surplus on ordinary activities	5	(15)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		59

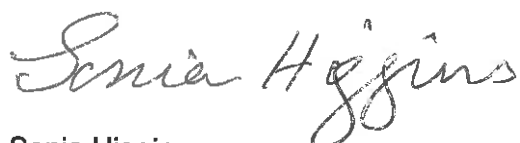
FLOREAT DEVELOPMENT LIMITED

STATEMENT OF FINANCIAL POSITION

For the period ending 31 March 2017

	Note	£'000	2017 £'000
TANGIBLE FIXED ASSETS			
Tangible assets cost			-
Less depreciation			-
			<hr/>
			-
CURRENT ASSETS			
Debtors	6	6	
Cash and cash equivalents		267	
		<hr/>	
		273	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	7	(214)	
		<hr/>	
NET CURRENT LIABILITIES			59
			<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			59
			<hr/> <hr/>
CAPITAL AND RESERVES			
Called up share capital	9		-
Revenue reserves			59
			<hr/>
			59
			<hr/> <hr/>

The financial statements were approved by the Board on 20th July 2017 and signed on its behalf by:



Sonia Higgins
Chair

Registration number: 10185982

FLOREAT DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN RESERVES
For the period ending 31 March 2017

	2017 Revenue reserves £'000
At date of incorporation	-
Surplus/(Deficit) from Statement of Comprehensive Income	<u>59</u>
As at 31 March 2017	<u><u>59</u></u>

FLOREAT DEVELOPMENT LIMITED

STATEMENT OF CASH FLOWS

For the period ending 31 March 2017

	Notes	2017 £'000	2017 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	(a)		267
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	
Interest paid		-	
CAPITAL EXPENDITURE			
Proceeds on disposal of fixed assets		-	
Purchase on other tangible fixed assets		-	
TAXATION			(-)
FINANCING			
Net shares issued		-	
Net change in cash and cash equivalents			267
Cash and cash equivalents at beginning of the period			-
Cash and cash equivalents at end of the period			267
(a) NET CASH GENERATED FROM OPERATING ACTIVITIES			2017 £'000
Operating surplus			74
Depreciation			-
(Increase) in debtors			(65)
Increase in stock			-
Increase/(decrease) in creditors			258
Net cash inflow from operating activities			267

1. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Turnover

Turnover represents work done on behalf of other members of Shropshire Housing Group and external work done for other entities or private individuals.

Cash and cash equivalents

This represents the total of assets which a business can use immediately to make payments. In general they include cash in hand, at bank and assets that can quickly be changed into cash.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred (or accelerated) because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax on a full provision basis.

Financial Instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

FLOREAT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ending 31 March 2017

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are considered to be no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

FLOREAT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ending 31 March 2017

2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	<u>2017</u>		
	Turnover	Operating	Operating
	£'000	costs	Surplus
		£'000	£'000
Internal work of FDL	1,590	(1,516)	74
	<u>1,590</u>	<u>(1,516)</u>	<u>74</u>

3. FINANCE INCOME

	2017
	£'000
Interest receivable from bank deposits	-

4. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2017
	£'000
<i>Surplus on ordinary activities before taxation is stated after charging:</i>	
Depreciation of tangible fixed assets	
Auditors' remuneration (excluding VAT):	
In their capacity as auditors	-
In respect of other services	-
Amounts payable in respect of hire of plant and machinery	-
Amounts payable in respect of rents of land and buildings	-

5. TAXATION

	2017
	£'000
Surplus on ordinary activities before tax	74
Tax on surplus on ordinary activities at 20%	15
Current charge for Corporation Tax	15

6. DEBTORS

	2017
	£'000
Due within one year	6
VAT recoverable	6

FLOREAT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ending 31 March 2017

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017
	£'000
Trade creditors	
Amount owed to other Group companies	51
Accruals and deferred income	148
Corporation tax	15
	<u>214</u>

8. FINANCIAL INSTRUMENTS

The carrying values of the Company's financial assets and liabilities are set out in the following notes to the financial statements:

Financial liabilities

Measured at undiscounted amount payable

- Trade and other creditors (note 7)

9. CALLED UP SHARE CAPITAL

	2017
	£
Issued and fully paid shares of £1 each:	
At beginning of period	-
Issued during the period	2
	<u>2</u>

10. PENSION OBLIGATIONS

All employees working within Floreat Development Limited are employed by South Shropshire Housing Association or Meres & Mosses Housing Association and, as such, they are members of the Social Housing Pension Scheme (SHPS) or the Shropshire Council Superannuation Fund.

Full details and actuarial valuations of these schemes are disclosed in South Shropshire Housing Association's, and Meres & Mosses Housing Association's Financial Statements and the Shropshire Housing Limited group accounts.

11. CAPITAL COMMITMENTS

	2017
	£'000
Capital expenditure contracted for but not provided in the financial statements	-
	<u>-</u>
Capital expenditure authorised by the Board of Directors but not yet under contract	-
	<u>-</u>

FLOREAT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ending 31 March 2017

12. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2017.

13. LEGISLATIVE PROVISIONS

The company is incorporated as a private limited company under Companies Act 2006, Registered No. 10185982.

The ultimate parent undertaking is Shropshire Housing Limited, registered under the Co- operative and Community Benefit Societies Act 2014 and regulated by the Homes and Communities Agency. Consolidated financial statements of which Floreat Development Limited are part are available from the registered office address; The Gateway, The Auction Yard, Craven Arms, Shropshire, SY7 9BW.

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption not to disclose intra-group transactions.

