

New Horizon Homes Limited (Trading as Horizon Homes)

Company No. 07625039

31 March 2018

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NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Directors' Report

For the year ended 31 March 2018

Chair	Mr P Jackson (retired 30 June 2018) Ms B Shaw (appointed 1 July 2018)
Directors	Mr S Thomas (retired 31 January 2018) Mr S Lyons Ms J Gregg Mr P Bryan Mr J Macdonald-Murray Mr P Turner
Company Secretary	Ms L Rickson
Registered office	Templar House Collett Way Newton Abbot TQ12 4PH
Company number	07625039

The directors present their report and the audited financial statements of the company for the year ended 31 March 2018.

Principal activity

The company is a wholly owned, non-charitable subsidiary of Westward Housing Group Limited and its principal activity is the development and management of housing. Within Horizon Homes is the operation of the Help to Buy South West Agency.

Financial review of the year and future developments

The results for the year are set out on page 7. Horizon Homes has continued to develop properties for outright sale during the year and made a profit before tax for the year of £1,356,000 (2017: £1,287,000). A proportion of the distributable reserves will be gift aided to Westward Housing Group Limited.

Risks surrounding the activities of the company include the residential housing market, which is impacted by mortgage availability, and the effect of government policy on the development programme of Westward Housing Group Limited.

Directors

The directors who held office from 1 April 2017 up to the date of signing the financial statements are listed above.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Directors' Report (continued)

For the year ended 31 March 2018

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 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 then 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.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Directors' Report (continued)

For the year ended 31 March 2018

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 steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

KPMG were reappointed during the year ended 31 March 2018.

Going Concern

After making enquiries the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence and will support the activities of New Horizon Homes Limited for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Approval

The report of the board was approved on 6 September 2018 and signed on behalf of the board by:



P Bryan
Director

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Independent auditor's report to the members of New Horizon Homes Limited

Opinion

We have audited the financial statements of New Horizon Homes Limited ("the company") for the year ended 31 March 2018 which comprise the profit and loss account, balance sheet, statement of changes in equity 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 year 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.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Independent auditor's report to the members of New Horizon Homes Limited (continued)

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, 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.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Independent auditor's report to the members of New Horizon Homes Limited (continued)

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

Victoria Sewell (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Plym House

Plymouth, PL6 8LT

24 September 2018

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Profit and Loss Account

For the year to 31 March 2018

	Note	Year ended 31 March 2018	Year ended 31 March 2017
		£000	£000
Turnover	2	4,402	6,119
Cost of sales	2	(2,947)	(4,603)
Gross profit		<u>1,455</u>	<u>1,516</u>
Other operating expenses	3	(88)	(114)
Profit for the year before interest		<u>1,367</u>	<u>1,402</u>
Interest payable	5	(11)	(115)
Profit for the year		<u>1,356</u>	<u>1,287</u>
Tax charge	8	(222)	(258)
Retained profit for the year		<u><u>1,134</u></u>	<u><u>1,029</u></u>

Other Comprehensive Income

For the year to 31 March 2018

The Company has no recognised gains or losses other than the profit for the year.

All amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Balance Sheet

As at 31 March 2018

	Note	2018 £000	2017 £000
Current Assets			
Properties for resale	9	557	1,961
Debtors due within one year	10	958	364
Cash at bank and in hand		23	1,193
		<u>1,538</u>	<u>3,518</u>
Creditors			
Amounts falling due within one year	11	(1,023)	(810)
Net current assets		<u>515</u>	<u>2,708</u>
Total assets less current liabilities		<u>515</u>	<u>2,708</u>
Creditors			
Amounts falling due after more than one year	12	-	(2,193)
Net assets		<u><u>515</u></u>	<u><u>515</u></u>
Represented by:			
Called up share capital	13	-	-
Revenue reserves		<u>515</u>	<u>515</u>
Equity shareholder's funds		<u><u>515</u></u>	<u><u>515</u></u>

These financial statements were approved by the Board on 6 September 2018 and were signed on its behalf by:


B Shaw
Director


P Bryan
Director

The accompanying notes form part of these financial statements.
Registered Company Number: 07625039

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Statement of Changes in Equity

As at 31 March 2018

	<i>Note</i>	Called up Share capital £000	Profit & loss account £000	Total equity £000
Balance at 1 April 2016		-	-	-
Total comprehensive income for the period				
Profit		-	1,029	1,029
Total comprehensive income for the period		-	1,029	1,029
Gift aid payment		-	(643)	(643)
Current tax credit on gift aid		-	129	129
Balance at 31 March 2017		-	515	515
Balance at 1 April 2017		-	515	515
Total comprehensive income for the period				
Profit		-	1,098	1,098
Total comprehensive income for the period		-	1,098	1,098
Gift aid payment		-	(1,134)	(1,134)
Current tax credit on gift aid		-	36	36
Balance at 31 March 2018		-	515	515

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements

For the year ended 31 March 2018

I Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and the Companies Act 2006.

Basis of accounting

The financial statements have been prepared under the historical cost convention. The board is satisfied that the current accounting policies are the most appropriate for the company.

New Horizon Homes Limited (the "Company") is a company limited by shares and registered in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in September 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Westward Housing Group includes the Company in its consolidated financial statements. The consolidated financial statements of Westward Housing Group are prepared in accordance with FRS102 and are available to the public and may be obtained from Templar House, Collett Way, Newton Abbot, Devon TQ12 4PH. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Transactions or balances with entities which form part of the Group.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements

For the year ended 31 March 2018

I Principal accounting policies

Basis of accounting *(continued)*

As the consolidated financial statements of Westward Housing Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

As stated in the director's report on pages 1-3 the directors have a reasonable expectation that the Group and the Company will continue in operational existence for the foreseeable future. The directors of Horizon Homes have received a letter from Westward Housing Group Limited confirming that they will not seek any repayment within the next twelve months, thus they continue to adopt the going concern basis in preparing the annual financial statements.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements

For the year ended 31 March 2018

I Principal accounting policies

Trade and other debtors / creditors

Trade and other debtors/creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Properties for resale

Properties for resale are stated at the lower of cost and net realisable value.

Turnover

Turnover is from market sales and is recognised at the point of legal completion of the sale.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Gift Aid Payments

Profits realised during the year from outright sales and Help to Buy, South West Agency are gift aided to the charitable parent company, Westward Housing Group Limited. The payment is accrued and recognized as a liability within Horizon Homes. Payment of the gift aid is made within nine months of the year ended 31 March.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements
For the year ended 31 March 2018

2 TURNOVER AND COST OF SALES

	2018		2017	
	Turnover	Cost of Sales	Turnover	Cost of Sales
	£000	£000	£000	£000
Property sales	3,515	(2,633)	5,332	(4,180)
Help to Buy South West Agency	887	(314)	787	(423)
Total	4,402	(2,947)	6,119	(4,603)
				Operating Profit/ (loss) £000
				1,455
				1,152
				364
				1,516

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements

For the year ended 31 March 2018

3 Other operating expenses

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Administration expenses	<u>88</u>	<u>114</u>

4 Profit on ordinary activities before taxation

This is arrived at after charging	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
External auditor's remuneration (excluding VAT):		
- External audit services	3	3
Internal auditor's remuneration (excluding VAT):		
- Internal audit services	4	-

5 Interest Payable

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Interest Payable	<u>11</u>	<u>115</u>

6 Remuneration of Directors

Non-Executive Directors' remuneration for the year totalled £8,800 (2017: £4,100). The highest paid director received £3,106 (2017: £3,075).

Executive Directors received remuneration for their services to Westward Housing Group, of which New Horizon Homes Limited is a subsidiary undertaking, however the portion attributable for their services to the Company is not separately identifiable.

The company has applied the exemptions available in respect of the disclosure of Key Management Personnel compensation.

The remuneration for Non-Executive Directors shown above is only in respect of the Company. Details of remuneration for Non-Executive Directors for the Westward Housing Group can be found in the Westward Housing Group consolidated financial statements. No Non-Executive Directors participate in any of the company pension schemes.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

7 Employees

The company's level of activity in respect of the development of housing does not warrant the full time employment of the range of staff required to carry out its various functions. Services are provided by staff employed by the parent company, Westward Housing Group Limited. The cost of this service recharged to Horizon Homes during the year was £47,002 (2017: £60,490).

The Help to Buy South West Agency has now been fully embedded into Horizon Homes Limited for which services are provided by staff employed by the parent company, Westward Housing Group Limited and are charged to Horizon Homes. In 2018 these services amounted to £170,319.

8 Taxation on profit on ordinary activities

Total tax expense recognised in the profit and loss account, other comprehensive income and equity.

	2018		2017			
	£000		£000		£000	
<i>Current tax:</i>						
UK corporation tax on profits for the year at 19% (2017: 20%)	(222)		(258)			
Total corporation tax (charge) / credit	(222)		(258)			
	2018	2018	2018	2017	2017	2017
	£000	£000	£000	£000	£000	£000
	Current	Deferred	Total	Current	Deferred	Total tax
	tax	tax	tax	tax	tax	
Recognised in Profit and loss account	(258)	-	(258)	(258)	-	(258)
Recognised in other comprehensive income	-	-	-	-	-	-
Recognised directly in equity	36	-	36	129	-	129
Total tax	(222)	-	(222)	(129)	-	(129)

Factors affecting the tax charge for the current year:

	2018		2017	
	£000		£000	
Current tax reconciliation				
Profit on ordinary activities before tax	1,356		1,287	
Current tax at 19% (2017: 20%)	258		258	
Total current tax charge (see above)	258		258	

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

9 Property for resale

	2018	2017
	£000	£000
Outright sale properties under construction	557	1,961

10 Debtors due within one year

	2018	2017
	£000	£000
Other trade debtors	546	-
Help to Buy South West Agency trade debtors	412	364
	<u>958</u>	<u>364</u>

11 Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Amounts owed to group companies	762	643
Other taxation	258	129
Other creditors and accruals	3	38
	<u>1,023</u>	<u>810</u>

Amounts owed by group undertakings are trading balance repayable on demand and are non-interest bearing.

12 Creditors: Amounts falling due after more than one year

	2018	2017
	£000	£000
Amounts owed to group companies	-	2,193
	<u>-</u>	<u>2,193</u>

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

13 Called up share capital

	2017 & 2018 £
Authorised	
1 ordinary share of £1 each	1
Allotted, called up and fully paid	
1 ordinary share of £1 each	1

The share is owned by the parent company Westward Housing Group Limited, refer to note 15 for further details.

14 Financial Commitments

The company's capital expenditure commitments are as follows:

Capital Commitments

	2018 £000	2017 £000
Expenditure approved not contracted for	1,552	-
Expenditure approved and contracted for	-	806
	<u>1,552</u>	<u>806</u>

Capital commitments will be funded through future revenues and a trading balance facility owed to group undertakings repayable on demand.

15 Parent Association

The company is a wholly owned subsidiary of Westward Housing Group Limited (a charitable and group parent organisation which is a registered society under the Cooperative and Community Benefit Societies Act 2014. No. 7350 and regulated by Homes England (formerly the Homes and Communities Agency) Registration No. 4826.

A copy of the consolidated accounts can be obtained from Templar House, Collett Way, Newton Abbot, Devon TQ12 4PH.

NEW HORIZON HOMES LTD (T/A HORIZON HOMES)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

16 Accounting estimates and judgements

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The 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 are addressed below

Valuation of properties held for sale

The company assess the value of property held for sale within stock at each year end by reference to sales price less any costs of selling the properties on the open market compared to cost.

Impairment of debtors

The company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Critical accounting judgements in applying the Company's accounting policies

There are no such judgements in either the current or prior year.