

RBH (Design & Build) Limited

Report and Financial Statements

Year ended 31st March 2017

Registered Number 07891824

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RBH (Design and Build) Limited
Year ended 31st March 2017
Company Information

Registered Number	07891824
Board of Directors	Lee Sugden Ian Harlow (Chair) Catherine Owston
Registered Office	RBH (Design & Build) Limited c/o Rochdale Boroughwide Housing Limited Sandbrook House, Sandbrook Way, Rochdale, OL11 1RY
Bankers	NatWest, 11 Spring Gardens, Manchester, M2 1FB
Independent Auditor	BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M60 2AT

Group Structure

Rochdale Boroughwide Housing (RBH) (Design and Build) Limited Co (Reg. No 07891824), is a wholly owned private company limited by shares with its' own Board of Directors. The accounts of RBH (Design and Build) Limited are consolidated into the RBH Group Accounts.

Other companies within the group are:

RBH Professional Limited Co Reg. no 07807329, a wholly owned private company limited by shares with it's own Board of Directors. RBH Professional Limited is currently dormant.

Safeguard Solutions Ltd (SSL) Co Reg. no 06387991 is a joint venture between RBH Limited and Securecom. It has its own Board of Directors, which consists of 2 members, one from each of the controlling parties. After the 2016/17 accounting year end, on the 3 April 2017, RBH acquired the 50% shareholding of Securecom Ltd in SSL. This made SSL a 100% wholly owned subsidiary of RBH.

All group companies bank with the NatWest Bank and BDO LLP audit the group accounts.

Accounts for the group members are publicly available.

RBH (Design & Build) Limited
Report of the Directors for the year ended 31st March 2017

I am pleased to present the audited financial statements for RBH (Design and Build) Limited for the year ended 31st March 2017.

Principal activity and results

RBH (Design and Build) Limited is contracted to manage the design and build of new home development for RBH Limited, the parent company.

RBH Limited entered into a grant funding agreement with the Homes and Communities Agency in March 2015 (following on from the previous 2011 agreement) and has since entered into contracts with RBH (Design and Build) Limited for the delivery of individual development schemes. The cost of building activity in the year was £4.15m, mainly comprising developments at:

- Longridge Drive, Heywood where 26 homes were handed over in October 2016
- Queens Drive, Kirkholt where 11 homes were due for completion in November 2016 but handed over at the end of September 2016
- Daventry Road, Kirkholt where 11 homes were due to be handed over in March 2017. The project is currently 8 weeks behind schedule which has been communicated to the HCA. The project is now expected to complete in May 2017 but within budget.
- Lower Falinge where 19 homes were started on site in March 2017. Practical Completion is due in April 2018.

In December 2015 RBH entered into a grant agreement with Rochdale Borough Council for £5.4m to deliver a mixed use scheme at The Strand, Kirkholt.

RBH (Design and Build) has generated profits for the year of £178,000 and the Board gave approval for £178,000 of these profits to be donated to RBH Limited on 11 January 2017.

Directors

The directors who served during the year are shown on page 2.

RBH (Design & Build) Limited

Report of the Directors for the year ended 31st March 2017

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 accounting estimates that are reasonable and prudent;
- 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 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.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

RBH (Design & Build) Limited

Report of the Directors for the year ended 31st March 2017

Auditors

All the current directors have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report and the financial statements the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The report of the Directors was approved on 16th August 2017 and signed on its behalf by:



Ian Harlow

Chair, RBH (Design and Build) Limited.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBH (DESIGN & BUILD) LIMITED

We have audited the financial statements of RBH (Design & Build) Limited for the year ended 31 March 2017 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 31st 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBH (DESIGN & BUILD) LIMITED

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 directors' report for the financial year [period] for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

*Hamid Ghafoor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom*

Date: *18/09/2017.*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

RBH (Design and Build) Limited
Statement of Comprehensive Income
For the year ended 31st March 2017

	Notes	2017 £000s	2016 Restated £000s
Turnover		4,398	2,752
Cost of sales		(4,148)	(2,566)
Gross profit		250	186
Administrative expenses		(72)	(100)
Operating Profit	2	178	86
Profit on ordinary activities before taxation		178	86
Tax on profit on ordinary activities	3	-	-
Profit for the year and Total comprehensive income		178	86

All amounts derive wholly from continuing operations.

There are no other recognised gains and losses other than the profit for the year.

Information on the prior year restatement can be found in Note 11.

The notes on pages 11 to 17 form part of these financial statements.

RBH (Design and Build) Limited
Statement of Financial Position
As at 31st March 2017
Registered number: 07891824

	Notes	2017 £000s	2016 £000s
Current Assets			
Debtors	4	277	395
Cash at bank and in hand		221	69
Total current assets		<u>498</u>	<u>464</u>
Creditors: Amounts falling due within one year	5	<u>(498)</u>	<u>(464)</u>
Net current assets and net assets		-	-
Capital & Reserves			
Share Capital	7	-	-
Retained Earnings	8	-	-
Total shareholders funds		<u>-</u>	<u>-</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved by the board of directors and authorised for issue on 16th August 2017 and were signed on its behalf by:



Ian Harlow
Chair

The notes on pages 11 to 17 form part of these financial statements.

RBH (Design and Build) Limited
Statement of Changes in Equity

As at 31 March 2017

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2016	-	-	-
Comprehensive income for the year			
Profit for the year	-	178	178
Total comprehensive income for the year	-	178	178
Qualifying charitable donation to parent of 2016/17 taxable profits		(178)	(178)
At 31 March 2017	-	-	-

As at 31 March 2016

	Share capital Restated £000	Retained earnings Restated £000	Total equity Restated £000
At 1 April 2015	-	-	-
Comprehensive income for the year			
Profit for the year	-	86	86
Total comprehensive income for the year	-	86	86
Qualifying charitable donation to parent of 2016/17 taxable profits		(86)	(86)
At 31 March 2016	-	-	-

Information on the prior year restatement can be found in Note 11.
The notes on pages 11 to 17 form part of these financial statements.

RBH (Design & Build) Limited
Notes to the Accounts
For the Year ended 31st March 2017

1. Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical costs convention and in accordance with the provisions of Financial Reporting Standard 102 1A Small Entities. There were no material departures from that standard.

The company being a subsidiary undertaking where 90% or more of the voting rights are controlled within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102 p11.

RBH (Design and Build) Limited is party to an inter-group agreement for management charges, which reflect transfer pricing at third party rates.

Policies that have been approved within the parent company will be applied consistently throughout the group. The following principal accounting policies have been applied:

Going concern

The directors have prepared these financial statements on the going concern basis, which they believe is appropriate based on planned future development activity commissioned by RBH Limited which will continue to generate profits for the company.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Turnover shown in the statement of comprehensive income represents work done during the period, hence there is no work in progress. All turnover arises within the United Kingdom.

Debtors

Short term debtors are measured at transaction price, less any impairment.

RBH (Design & Build) Limited
Notes to the Accounts (Continued)
For the Year ended 31st March 2017

Creditors

Short term creditors are measured at the transaction price.

Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments, accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Taxation

RBH (Design and Build) is a private company limited by shares. Activity within the company will be subject to Corporation Tax, VAT and Construction Industry Tax where applicable, however, it will be able to recover the VAT incurred.

RBH (Design & Build) Limited
Notes to the Accounts (Continued)
For the Year ended 31st March 2017

Significant judgements and estimates

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. During the period and prior year there have been no key sources of estimation that have had a significant impact on the carrying value of assets and liabilities.

2. Operating profit

Operating profit is stated after charging:

	2017	2016
	£000s	£000s
Auditors remuneration		
In their capacity as auditors	3	3
For non-audit services	-	-

During the year no payments were made to directors (2016: £nil).
The company does not have any employees.

3. Taxation

Corporation Tax

RBH (Design and Build) Limited operating profit consists of inter-group recharges at third party rates and an accrual for audit charges. £178k of profits were gift aided to RBH and group relief was obtained from a fellow subsidiary undertaking therefore no Corporation tax is payable in the year.

	2017	2016
	£000s	£000s
<i>UK Corporation tax</i>		
Current tax on surplus for the year	-	-
Deferred tax for the year	-	-
Taxation on profit on ordinary activities	-	-

The tax assessed for the year is in line with the standard rate of corporation tax in the UK applied to profit before tax.

RBH (Design & Build) Limited
Notes to the Accounts (Continued)
For the Year ended 31st March 2017

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £Nil (2016: £Nil).

Tax Reconciliation	2017	2016
		restated
	£000s	£000s
Profit on ordinary activities before tax and interest on tax	178	86
Tax at UK corporation tax rate 20%: (2015/16 = 20%)	36	17
Effect of:		
Adjustments to brought forward values	1	1
Qualifying charitable donation to parent of taxable profits	(36)	(17)
Deferred tax not recognised	(1)	(1)
Actual Total taxation charge	-	-

VAT

RBH (Design and Build) is VAT registered.

4. Debtors

	2017	2016
	£000s	£000s
Amounts owed by Group undertakings	277	380
Other debtors	-	15
Total	277	395

5. Creditors: amounts falling due within one year

	2017	2016
	£000s	£000s
Amounts owed to Group undertakings	197	101
Trade creditors	22	339
Accruals	247	24
Tax and social security	32	-
Total	498	464

RBH (Design & Build) Limited
Notes to the Accounts (Continued)
For the Year ended 31st March 2017

6. Financial Instruments

	31 March 2017 £000s	31 March 2016 £000s
Financial assets		
Financial assets that are debt instruments measured at amortised cost	277	395
	277	395
Financial liabilities		
Financial liabilities measured at amortised cost	466	464
	466	464

Financial assets measured at amortised cost comprise of other debtors and amounts owed by group undertakings.

Financial Liabilities measured at amortised cost comprise trade payables, accruals and amounts owed to group undertakings.

7. Share Capital

	2017	2016
	£	£
Authorised Share Capital		
1 ordinary share of £1	1	1
Allotted, Called Up and fully paid shares	No.	£
Ordinary shares	1	1

This share is held by the parent company, RBH Limited.

RBH (Design & Build) Limited
Notes to the Accounts (*Continued*)
For the Year ended 31st March 2017

8. Reserves

Retained Earnings

Retained Earnings include the accumulated profits and losses arising from the statement of comprehensive income and certain items from the Statement of Changes in Equity attributable to equity shareholders net of distributions to shareholders.

9. Related Parties

None of the directors have received any remuneration as a result of their position within RBH (Design and Build), nor any other benefit in kind (2016:£nil).

The company has taken advantage of the exemption conferred by FRS 102 Section 33 Related Party Disclosures paragraph 33.1A not to disclose transactions with group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

10. Controlling Parties

RBH (Design and Build) is a wholly owned subsidiary of Rochdale Boroughwide Housing (RBH) Limited, a Charitable Community Benefit Society (Reg. No 31452 R) which is also a registered provider of social housing (Reg. no 4607), which is the ultimate parent company and which prepares group consolidated statements.

As RBH (Design and Build) Limited does not have any employees, the day-to-day processing of the transactions etc for RBH (Design and Build) Limited are managed by RBH departments (such as the Finance Team, Governance Team, Legal Team & Directorate of RBH Limited). This involves investing cash, reconciling bank statements, producing accounts etc, for which RBH (Design and Build) Limited receives a quarterly charge in line with the Inter-Group Agreement.

RBH (Design & Build) Limited
Notes to the Accounts (*Continued*)
For the Year ended 31st March 2017

11. Prior year restatement

For 2016/17 there has been a change in the treatment of Gift Aid, which is now termed qualifying charitable donation. The company is a subsidiary of a charitable registered provider of social housing and made an irrevocable commitment before the 31 March 2017 to the parent to make a qualifying charitable donation of an amount equal to the taxable profits. This payment will be made before 31 December 2017. The amount of the qualifying charitable donation is a liability of the company at the year end and is shown as a distribution in the Statement of Changes in Equity.

The comparative results have been re-presented to present taxable profits distributed in line with the above policy instead of as an expense in the Statement of Comprehensive Income.