

RBH (Design & Build) Limited

Report and Financial Statements

Year ended 31<sup>st</sup> March 2016

Registered Number 07891824

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RBH (Design and Build) Limited  
Year ended 31<sup>st</sup> March 2016

Registered Number	07891824
Board of Directors	David Pringle 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.

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.

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 ending 31<sup>st</sup> March 2016**

I am pleased to present the accounts for RBH (Design and Build) Limited for the year ending 31<sup>st</sup> March 2016.

**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) for the delivery of individual development schemes. The cost of building activity in the year was £2.57m, mainly comprising developments at:

- Longridge Drive, Heywood where 26 homes are due to be handed over in October 2016
- Queens Drive, Kirkholt where 11 homes are due to be handed over in November 2016
- Daventry Road, Kirkholt where 11 homes are due to be handed over in March 2017

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 £86,000 and the Board gave approval for £86,000 of these profits to be donated to RBH Limited on 19 January 2016.

This is the first time that the company has adopted FRS 102 having previously applied applicable UK accounting standards.

**Directors**

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

## **RBH (Design & Build) Limited**

### **Report of the Directors for the year ending 31<sup>st</sup> March 2016**

#### **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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ending 31<sup>st</sup> March 2016**

**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 17<sup>th</sup> August 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Ian Harlow', written in a cursive style.

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 2016 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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](http://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 31<sup>st</sup> March 2016 and of its result 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**

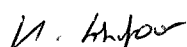
**Opinion on other matters prescribed by the Companies Act 2006**

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



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

Date: 23/09/2016

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 31<sup>st</sup> March 2016

	Notes	2016 £000s	2015 £000s
<b>Turnover</b>		2,752	6,503
Cost of sales		<u>(2,566)</u>	<u>(6,339)</u>
<b>Gross profit</b>		186	164
Administrative expenses		<u>(100)</u>	<u>(79)</u>
<b>Operating Profit</b>	2	86	85
Gift Aid	3	<u>(86)</u>	<u>(81)</u>
<b>Profit on ordinary activities before taxation</b>		-	<b>4</b>
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>Profit for the year and Total comprehensive income</b>		-	<b>4</b>

All amounts derive wholly from continuing operations.

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

The notes on pages 11 to 16 form part of these financial statements.

**RBH (Design and Build) Limited**  
**Statement of Financial Position**  
As at 31<sup>st</sup> March 2016  
Registered number: 07891824

	Notes	2016 £000s	2015 £000s
<b>Current Assets</b>			
Debtors	5	395	429
Cash at bank and in hand		69	10
Total current assets		<u>464</u>	<u>439</u>
<b>Creditors: Amounts falling due within one year</b>	6	<u>(464)</u>	<u>(439)</u>
<b>Net current assets and net assets</b>		-	-
<b>Capital &amp; Reserves</b>			
Share Capital	8	-	-
Retained Earnings	9	-	-
<b>Total shareholders funds</b>		<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 17<sup>th</sup> August 2016 and were signed on its behalf by:



Ian Harlow  
Chair

The notes on pages 11 to 16 form part of these financial statements.

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

**As at 31 March 2016**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2015	-	-	-
<b>Comprehensive income for the year</b>			
Profit for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
<b>At 31 March 2016</b>	-	-	-

**As at 31 March 2015**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2014	-	(4)	(4)
<b>Comprehensive income for the year</b>			
Profit for the year	-	4	4
<b>Total comprehensive income for the year</b>	-	4	4
<b>At 31 March 2015</b>	-	-	-

The notes on pages 11 to 16 form part of these financial statements.

**RBH (Design & Build) Limited**  
**Notes to the Accounts**  
For the Year ended 31<sup>st</sup> March 2016

**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 financial statements for the year ended 31 March 2016 are the first financial statements that comply with FRS 102 Section 1A Small Entities. The date of transition is 1 April 2014.

Information on the impact first time adoption of FRS 102 is given in note 11.

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 31<sup>st</sup> March 2016

**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 31<sup>st</sup> March 2016

**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:

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
<b>Auditors remuneration</b>		
In their capacity as auditors	3	3
For non-audit services	-	-

During the year no payments were made to directors (2015: £nil).  
The company does not have any employees.

**3. Gift Aid**

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Proposed Gift Aid to be paid in accordance with s339 (7AA) of the Income and Corporation Taxes Act 1988	86	81

A proposal was made to pay to RBH Limited an amount of £86k in respect of the year ended 31<sup>st</sup> March 2016 and this was approved by the Board by electronic decision in January 2016. The Company deemed this to be a charge on income in the accounting year ended 31<sup>st</sup> March 2016 thereby reducing its liability to corporation tax for that year to zero after taking into account group relief received from a fellow subsidiary undertaking.

**RBH (Design & Build) Limited**  
**Notes to the Accounts (Continued)**  
For the Year ended 31<sup>st</sup> March 2016

**4. 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. £86k 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.

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
<i>UK Corporation tax</i>		
Current tax on surplus/ (deficit) for the year	-	-
Deferred tax for the year	-	-
<b>Taxation on profit on ordinary activities</b>	-	-

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

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £Nil (2015: £Nil).

<b>Tax Reconciliation</b>	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Profit on ordinary activities before tax and interest on tax	-	4
Tax at UK corporation tax rate 20%: (2014/15 = 21%)	-	1
Effect of:	-	-
Adjustments to brought forward values	1	-
Group relief claimed	-	(2)
Other Short Term timing differences	-	1
Deferred tax not recognised	(1)	-
<b>Actual Total taxation charge</b>	-	-

**VAT**

RBH (Design and Build) is VAT registered.

**5. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Amounts owed by Group undertakings	380	417
Other debtors	15	12
<b>Total</b>	<b>395</b>	<b>429</b>

**RBH (Design & Build) Limited**  
**Notes to the Accounts (Continued)**  
For the Year ended 31<sup>st</sup> March 2016

**6. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Amounts owed to Group undertakings	101	163
Trade creditors	339	272
Accruals	24	4
<b>Total</b>	<b>464</b>	<b>439</b>

**7. Financial Instruments**

	<b>31 March 2016 £000s</b>	<b>31 March 2015 £000s</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	395	429
	<hr/>	<hr/>
	395	429
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	440	435
	<hr/>	<hr/>
	440	435

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 and amounts owed to group undertakings.

**8. Share Capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Authorised Share Capital</b>		
1 ordinary share of £1	1	1
<b>Allotted, Called Up and fully paid shares</b>	<b>No.</b>	<b>£</b>
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 31<sup>st</sup> March 2016

**9. 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.

**10. 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 (2015:£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.

**11. 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.

**12. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

