

Company Registration Number 05096482

**Terra Nova Developments Limited
Report and Financial Statements
For the Year Ended 31 March 2017**

TERRA NOVA DEVELOPMENTS LIMITED
Year ended 31 March 2017

CONTENTS

	PAGE
Company Information	1
Strategic Report	2
Report of the Directors	3
Independent Auditors Report to the members of Terra Nova Developments Limited	5
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

TERRA NOVA DEVELOPMENTS LIMITED
Year ended 31 March 2017

COMPANY INFORMATION

Directors

M. Harrison
P. Bojar

Company Secretary

P. Elvy

External Auditors

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Registered office

Southern Gate
729 Princess Road
MANCHESTER
M20 2LT

Internal Auditors

PWC
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Web site

www.greatplaces.org.uk

Bankers

The Royal Bank of Scotland plc
P.O. Box 356
38 Mosley Street
Manchester
M60 2BE

Registered Number

Companies House No. 05096482

STRATEGIC REPORT

Principal Activities

The principal activity of the Company during the year was the undertaking of design and build construction contracts primarily for the development of residential property including the rehabilitation and conversion of existing properties.

The company is registered under the Companies Act 2006.

Business Review

During the year, the company recorded a profit after interest and taxation of £58,721 (2016: £116,632). The reduced profit reflects a reduced level of income from development activity with the wider Great Places Housing Group. Development activity reduced because the majority of the developments undertaken were shared ownership which Great Places Housing Association ("GPHA") opts to develop directly. In respect of the year ended 31 March 2017 a gift aid payment of £45,000 (2016: £110,000) has been proposed, to be paid to its immediate parent undertaking GPHA. A further gift aid payment of £8,755 was also paid in the year to GPHA in respect of the year ended 31 March 2016.

Key performance indicators and risks and uncertainties

Turnover and gross profit are the principal KPIs used by the directors to assess the performance of the business. The Company carries out the majority of its trading activity within the wider Great Places Housing Group. Therefore the principal risk is that this trading will cease. The directors do not have any concerns and are in regular communication with the Group to assess this. Further details of the principal risks and uncertainties impacting the Group are provided in the financial statements of Great Places Housing Group Limited.

BY ORDER OF THE BOARD



Phil Elvy
Secretary
18th July 2017

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2017.

The Company's principal activities, business review, key performance indicators and risks and uncertainties are included in the Strategic Report on page 2.

Directors

Details of the directors are set out on page 1.

Employees

The Company has no employees.

Statement of responsibilities of the directors

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing 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; and
- 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 company'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 company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

REPORT OF THE DIRECTORS

Going concern

The directors have prepared these accounts on the going concern basis, which they believe is appropriate. This is because the approved business plan forecasts that surpluses will continue to be made in 2017/18 and beyond.

Auditors

The directors confirm that:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

A resolution to re-appoint BDO LLP will be proposed at the AGM on 7th September 2017 in accordance with Section 487(2) of the Companies Act 2006.

BY ORDER OF THE BOARD



Phil Elvy
Secretary
18th July 2017

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF TERRA NOVA DEVELOPMENTS LIMITED

We have audited the financial statements of Terra Nova Developments Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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.

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 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.

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 directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF TERRA NOVA DEVELOPMENTS LIMITED

Matters on which we are required to report by exception

In the 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.

BDO LLP

Hamid Ghafoor
Senior Statutory Auditor
For and on behalf of BDO LLP
Statutory Auditor
Manchester

Date *01/08/2017*

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

TERRA NOVA DEVELOPMENTS LIMITED
Year ended 31 March 2017

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	2	14,195,454	22,377,345
Cost of sales		<u>(14,097,541)</u>	<u>(22,221,792)</u>
Gross profit		97,913	155,553
Administrative expenses		<u>(37,960)</u>	<u>(37,627)</u>
Operating profit	3	59,953	117,926
Interest receivable	5	<u>128</u>	<u>364</u>
Profit on ordinary activities before taxation		60,081	118,290
Tax on profit on ordinary activities	6	<u>(1,360)</u>	<u>(1,658)</u>
Profit for the year and total comprehensive income		<u>58,721</u>	<u>116,632</u>

All amounts derive wholly from continuing operations.

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

The notes on pages 10 to 12 form part of these financial statements.

TERRA NOVA DEVELOPMENTS LIMITED
Year ended 31 March 2017

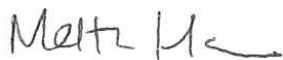
STATEMENT OF FINANCIAL POSITION

At 31 March 2017

	Note	2017 £	2016 £
Current assets			
Stocks	8	299,544	2,830,170
Debtors	9	371,564	457,816
Cash at bank and in hand		5,000	5,032
		<u>676,108</u>	<u>3,293,018</u>
Creditors: Amounts falling due within one year	10	<u>(454,078)</u>	<u>(3,075,954)</u>
Net current assets		<u>222,030</u>	<u>217,064</u>
Net assets		<u>222,030</u>	<u>217,064</u>
Capital and reserves			
Share capital	11	1	1
Revenue reserves		<u>222,029</u>	<u>217,063</u>
Shareholders funds		<u>222,030</u>	<u>217,064</u>

The notes on pages 10 to 12 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 18th July 2017 and were signed on its behalf by:



M. Harrison
Director

Company No: 05096482

TERRA NOVA DEVELOPMENTS LIMITED
Year ended 31 March 2017

STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity for the year ended 31 March 2017	Share capital	Revenue reserves	Total equity
	£	£	£
Balance at 1 April 2016	1	217,063	217,064
Surplus for the year	-	58,721	58,721
Other comprehensive income for the year	-	-	-
Gift aid payment (see note 7)	-	(53,755)	(53,755)
Balance at 31 March 2017	<u>1</u>	<u>222,029</u>	<u>222,030</u>

Statement of changes in equity for the year ended 31 March 2016	Share capital	Revenue reserves	Total equity
	£	£	£
Balance at 1 April 2015	1	210,431	210,432
Surplus for the year	-	116,632	116,632
Other comprehensive income for the year	-	-	-
Gift aid payment (see note 7)	-	(110,000)	(110,000)
Balance at 31 March 2016	<u>1</u>	<u>217,063</u>	<u>217,064</u>

In line with emerging practice, gift aid payment has been treated as a distribution rather than a cost in the income statement. The impact is to increase the surplus for the year for the year ended 31 March 2016 by £110,000 to £116,632.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

The Company is registered under the Companies Act 2006, is a company limited by share capital and is incorporated in the United Kingdom.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The following principal accounting policies have been applied:

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Great Places Housing Group Limited as at 31 March 2017 and these financial statements may be obtained from their registered office at Southern Gate, 729 Princess Road, Manchester, M20 2LT.

Turnover

Income is measured at the fair value of the consideration received or receivable. Turnover shown in the statement of comprehensive income represents amounts invoiced during the period. All turnover arises in the United Kingdom.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Judgements in applying accounting policies and key sources of estimation uncertainty

Management do not consider there to be any significant judgements or estimation uncertainty due to the straight forward nature of the company's operations.

3. Operating profit	2017	2016
	£	£
Operating profit is stated after charging:		
Auditors' remuneration:		
- In their capacity as auditors	3,700	3,600
- For non-audit services (taxation compliance services)	2,790	2,645

NOTES TO THE FINANCIAL STATEMENTS

4. Directors	2017	2016
	£	£
Directors remuneration	-	-

The Company has no employees (2016: none).

5. Interest receivable	2017	2016
	£	£
Interest receivable and similar income	128	364

6. Corporation Tax

a) Analysis of the charge in the year:

The tax charge on the profit on ordinary activities for the year was as follows:

	2017	2016
	£	£
UK Corporation tax charge for the year	1,265	1,658
Adjustments in respect of prior years	95	-
Total current tax charge for the year	1,360	1,658

b) Factors affecting tax charge for the year:

Profit on ordinary activities before tax	60,081	118,290
Gift aid payment not subject to UK taxation	(53,755)	(110,000)
Profits subject to UK taxation	6,326	8,290

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	1,265	1,658
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Effects of:

Adjustments in respect of prior years	95	-
	1,360	1,658

7. Gift Aid	2017	2016
	£	£
Proposed Gift Aid to be paid in accordance with s339 (7AA) of the Income and Corporation Taxes Act 1988	53,755	110,000

A proposal was made to pay to Great Places Housing Association an amount of £45,000 in respect of the year ended 31 March 2017. This payment was approved by the Board on 21 March 2017. Therefore, for the purposes of s338 of the Income and Corporation Taxes Act 1988, the company deemed this to be a charge on income in the accounting period ended 31 March 2017 thereby reducing its liability to corporation tax for that year to £1,265 (2016: £1,658). In the year to March 2017 Terra Nova made a gift aid payment of £8,755k to reduce the corporation tax for the March 2016 year end.

8. Stock and work in progress	2017	2016
	£	£
Work in progress	299,544	2,830,170

NOTES TO THE FINANCIAL STATEMENTS

9. Debtors	2017	2016
	£	£
Amounts owed by group undertakings	350,599	366,685
Other debtors	20,965	91,131
	<u>371,564</u>	<u>457,816</u>

All amounts are due to be received within one year.

10. Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	132,000	225,674
Corporation tax	3,016	4,864
Amounts owed to group undertakings	11,730	9,000
Accruals	307,332	2,836,416
	<u>454,078</u>	<u>3,075,954</u>

11. Share capital	2017	2016
Authorised share capital	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

12. Ultimate controlling party

The ultimate controlling party of the company is Great Places Housing Group Limited ('Great Places'), which is a registered provider of social housing registered under the Co-operative and Community Benefit Societies Act 2014. The immediate parent company of Terra Nova Developments Limited is Great Places Housing Association, a subsidiary of Great Places, which is a registered provider of social housing registered under the Co-operative and Community Benefit Societies Act 2014.

No loans or guarantees were entered into by Terra Nova Developments Limited with any member of the group.

The consolidated accounts of Great Places Housing Group Limited can be obtained from Great Places Housing Group Limited, Southern Gate, 729 Princess Road, Manchester, M20 2LT, or are available on its website at www.greatplaces.org.uk.