

HEYFORD REGENERATION LIMITED
(Registered No. 08610471)
REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2019

HEYFORD REGENERATION LIMITED

Financial Statements Year Ended March 2019

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Heyford Regeneration Limited

Information

Year Ended 31 March 2019

Company registration number

08610471

Directors

Gavin Angell
David Levenson
Colin Sherriff
Paul Silver

Company Secretary

Martin Lewis

Registered office

Heyford Park House
Camp Road
Upper Heyford
Bicester
OX25 5HD

Auditors

James Cowper Kreston
2 Chawley Park
Cumnor Hill
Oxford
OX2 9GG

Heyford Regeneration Limited

Board Report (Including Strategic Report)

Year Ended 31 March 2019

The Board of Heyford Regeneration Limited presents their report, including the strategic report and the audited financial statements of the Company for the year ended 31 March 2019.

Directors of the Board

The Directors of the Board who have served during the year were as follows:

Mr Gavin Angell (Director, Chief Executive Officer)
Mr David Levenson (Independent Non-executive Director)
Mr Colin Sherriff (Independent Non-executive Director,
Chairman from 13 September 2018)
Mr Paul Silver (Director, Chairman to 13 September 2018)

Review of the business / business model

The Company continued to expand its portfolio of properties at Heyford Park to 142 properties (2018: 111). 141 properties (2018: 99) were occupied at period end. There were five properties that staircased during the period (2018: 0).

The Company drew down further financing of the portfolio to fund future acquisitions and has recently secured extended facilities to finance future pipeline.

Objectives and strategies for achieving those objectives

The principal activity of the Company during the year was the provision of social housing.

Value for money

The Board of Heyford Regeneration Limited have put in place arrangements to ensure that the financial, social and environmental performance of our assets and resources are closely monitored and inform our decision making strategy. There is regular communication and engagement with the local Heyford Park Residents Association which enables good two-way communication to enable questions and feedback to be raised and responded to swiftly and effectively. All related party transactions are benchmarked against market data to ensure value for money. It is our practice to survey residents to obtain feedback on the service provided, with overall good feedback on the most recent survey.

Future Developments

The Company continues to pursue opportunities to expand its operating activities, predominantly through the acquisition of new affordable rented and shared ownership homes. The Company is in discussions to further increase its portfolio at Heyford Park

Governance

The Company adopts the principles of the UK Corporate Governance Code ("the Code") as applied to a Company of its size. The Board met 4 times during the year. The Board determined that it would undertake the work of the Audit committee, Nomination Committee and the remuneration Committee, and that the need for separate committees is to be kept under review. The Board takes a strategic overview of the Company's activities. Day to day activities are delegated to management and the executive Directors.

The Board includes 2 non-executive Directors to constructively challenge and help develop the Company strategy. They have recent and relevant financial and governance experience. The Company maintains a risk register which is reviewed regularly by the Board. The key risks identified are listed below with the relevant response:

The political risk that the government changes its policy on future rent reductions to either increase or extend. The business plan is stress tested for future government changes.

The economic risk that there is a breach of financial covenants on the new loan. The covenants are monitored and forecasts on a quarterly basis to monitor the performance against covenants

The legal risk that there is a regulatory breach. Prompt response to all regulatory requirements is a key management priority as overseen by the chief executive.

Heyford Regeneration Limited

Board Report (Including Strategic Report)

Year Ended 31 March 2019

The legal risk that there is a gas safety certificate breach. A database is maintained of all safety inspections required and calendar alerts to ensure compliance, reported to the Board quarterly

The legal risk that there is a data protection breach. Robust policies and procedures are in place; staff training on data protection legislation has been performed.

In relation to performance evaluation, key assessments in the year regarded the balance of skills on the Board, sector knowledge, Board cohesiveness and effective communication. Overall the Board was considered to be performing effectively.

The Company's business model is based on the acquisition of affordable housing units in the Heyford Park area. The Company maintains good communication with the local housing developers in order to plan for the acquisition of future tranches. The business plan forecasts for the introduction of bank financing to allow scalability of the housing portfolio. The Board considers the Company to be a going concern with no material uncertainties.

The Board does not consider there to be a need for an internal audit function due to the small scale of the Company. The Board reviewed the effectiveness of the external audit process. Appointment of the external auditors is considered on an annual basis. The Board paid particular attention to the categorisation of fixed assets and stock to ensure consistency with the property portfolio managed. Overall the Board considers the annual report and accounts to show a whole, fair, true, balanced and understandable summary of the Company's position, performance, business model and strategy.

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under the law the Board have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under Company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association for that period. In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable 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 concerns basis unless it is inappropriate to presume that the association will continue in business.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Companies Act 2006. It is 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.

Statement of compliance

In preparing this operating and Financial Review and Board report, the Board has followed the principles set out in the Statement of Recommended Practice: Accounting by registered social housing providers 2014 (SORP).

The Board certifies that it meets the requirements of the Housing Regulator's Governance and Viability Standard. It demonstrates this by scrutinising and reviewing compliance with elements of the Standard at regular meetings of the Board and evidencing the fact in the meeting record.

Heyford Regeneration Limited

Board Report (Including Strategic Report)

Year Ended 31 March 2019

Disclosure of information to the auditors

We, the Directors of the Company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

The auditors, James Cowper Kreston, replaced Crowe UK LLP as auditors on 18 June 2019 and will be proposed for reappointment in accordance with section 488 of the Companies Act.

In approving the Board Report, we also approve the Strategic Report included therein, in our capacity as Company Directors.

On behalf of the Board

G Angell, Director

Date: 23.9.19



Heyford Regeneration Limited

Board Report (Including Strategic Report)

Year Ended 31 March 2019

Opinion

We have audited the financial statements of Heyford Regeneration Limited (the 'Company') for the year ended 31 March 2019 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, 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 the United Kingdom Accounting Standard, including Financial Reporting Standards 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Heyford Regeneration Limited

Board Report (Including Strategic Report)

Year Ended 31 March 2019

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 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

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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Directors' Report on page 2 and 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

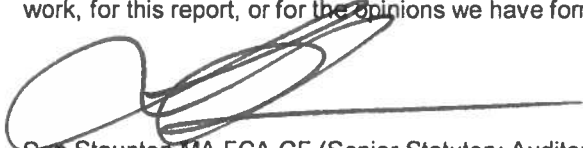
Heyford Regeneration Limited

Board Report (Including Strategic Report)

Year Ended 31 March 2019

Use of our report

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 And section 137 of The Housing and Regeneration Act 2008. 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 Auditors' 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.



Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

OX2 9GG

Date: *24 September 2019.*

Heyford Regeneration Limited

Statement of Comprehensive Income (Including Income and Expenditure Account)

Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	2	3,784,277	3,631,280
Cost of sales		(2,928,626)	(2,084,784)
Gross surplus		855,651	1,546,496
Administrative expenditure		(319,365)	(297,951)
Operating surplus		536,286	1,248,545
Gain on disposal of tangible fixed assets	5	216,017	-
Interest payable and similar expenses		(301,440)	(190,986)
Movement in fair value of financial instruments		(57,542)	16,676
Surplus for the year before taxation	6	393,321	1,074,235
Tax on surplus	8	(92,420)	(227,741)
Surplus for the year		300,901	846,494
Total comprehensive income for the year		300,901	846,494

The notes on pages 11 to 22 form part of these financial statements

Heyford Regeneration Limited
Statement of Financial Position
Year Ended 31 March 2019

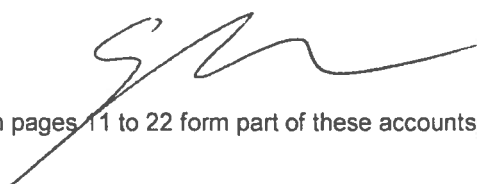
	Note	2019 £	2018 £
Fixed assets			
Property, plant and equipment	9	12,656,835	9,971,658
Current assets			
Stocks	10	304,479	829,666
Trade and other debtors	11	9,332	71,678
Cash at bank and in hand		1,522,180	264,271
		<u>1,835,991</u>	<u>1,165,615</u>
Creditors: amounts falling due within one year	12	(2,692,942)	(1,916,570)
Net current (liabilities)		(856,951)	(750,955)
Creditors: amounts falling due after more than one year	13	(10,782,951)	(8,504,671)
		<u>1,016,933</u>	<u>716,032</u>
Total net assets / (liabilities)			
Reserves			
Called up share capital	14	99	99
Profit and loss account		1,016,834	715,933
		<u>1,016,933</u>	<u>716,032</u>
Total Reserves			

23.9.19

The financial statements were approved and authorised for issue by the Board on

Signed on behalf of the Board

G Angell
 Director



The notes on pages 11 to 22 form part of these accounts.

Heyford Regeneration Limited**Statement of Cash Flows****Year Ended 31 March 2019**

	Note	2019 £	2018 £
Cash flow from operating activities			
Net cash flow from operating activities	17	1,840,515	(4,597,290)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(3,157,014)	(4,664,915)
Receipts from sales of tangible fixed assets		597,565	-
Net cash flow from investing activities		(2,559,449)	(4,664,915)
Cash flow from financing activities			
Movement in long-term loans		2,278,279	8,504,671
Interest paid		(301,440)	(190,986)
Net cash flow from financing activities		1,976,839	8,313,685
Net increase / (decrease) in cash and cash equivalents		1,257,905	(948,520)
Cash and cash equivalents at beginning of the year		264,271	1,212,791
Cash and cash equivalents at end of the year		1,522,180	264,271

Heyford Regeneration Limited
Statement of Retained Earnings
Year Ended 31 March 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	99	715,933	716,032
Comprehensive Income for the year			
Profit for the financial year	-	300,901	300,901
Total Comprehensive Income for the year	-	300,901	300,901
At 31 March 2019	<u>99</u>	<u>1,016,834</u>	<u>1,016,933</u>

The notes on pages 11 to 22 form part of these financial statements.

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	99	868,318	868,417
Comprehensive Income for the year			
Profit for the financial year	-	846,494	846,494
Total Comprehensive Income for the year	-	846,494	846,494
Dividend	-	(989,659)	(989,649)
At 31 March 2018	<u>99</u>	<u>715,933</u>	<u>716,032</u>

The notes on pages 11 to 22 form part of these financial statements.

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

1 Summary of significant accounting policies

(a) General information and basis of preparation

Heyford Regeneration Limited is a private registered provider of social housing in the United Kingdom. The address of the registered office is Heyford Park House, Camp Road, Upper Heyford, Bicester, OX25 5HD. The nature of the Company's operations and principal activities are the provision of social housing.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Turnover and revenue recognition

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

The sale of subsequent tranches (staircasing) of shared ownership properties and the sale of housing properties are recorded net of carrying value as a gain or loss on disposal.

(c) Tax

Current tax represents the amount of tax payable or receivable in respect of taxable income for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(d) Interest payable

Interest payable is recognised as it falls due on a payable basis.

(e) Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model. Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure (unless -hedge accounting is applied). The Company has not adopted hedge accounting for the financial instruments

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

(f) Tangible fixed assets

Housing properties are held at historic cost, using the cost model, less accumulated depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period, and directly attributable administration costs.

Costs are split between the structure and those major components which require periodic replacement. Replacement and restoration of such major components is capitalised and depreciated over the average estimated useful life which has been set taking into account the professional advice, the Company's asset management strategy and the requirements of the Decent Homes Standard.

Works to existing properties which result in an increase in the net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements. Examples would be work that results in an increase in rental income, a reduction in future maintenance costs or a significant extension of the useful economic life of the property.

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when handed over for letting or sale. Capitalisation of development costs ceases at practical completion including the accrual of known costs at that time and all subsequent costs are expensed.

Freehold land is not subject to depreciation. Depreciation is charged on a straight-line basis over the useful economic lives of fixed assets to write off to the estimated residual value at the following useful economic lives:

Structure	100 Years
Roofs	60 Years
Kitchens	20 Years
Bathrooms	30 Years
Windows and doors	30 Years
Heating and plumbing	10 Years
Wiring	30 Years

(g) Stocks

Shared ownership properties held for sale and under construction are split proportionally between stock and fixed assets, based on the expected first tranche proportion. First tranche proportions are accounted for as stock and the related sales proceeds are shown in turnover. The remaining elements of the shared ownership properties are accounted for as fixed assets. Subsequent sales are treated as part disposals of fixed assets.

Stock and work in progress includes land or properties held for transfer to other Registered Providers, or for outright sales, and is stated at the lower of cost (including attributable overheads and interest) and the net realisable value.

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

(h) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Where deferral of payment terms has been agreed at below market rate, and where a material, the balance is shown at the present value, discounted at market rate.

(i) Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank, local authority and other loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(j) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(k) Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised as expenditure in income and expenditure. Where an asset is currently deemed not to be providing service potential to the Company, its recoverable amount is its fair value less costs to sell.

(l) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Housing Properties

Properties held in line with the objectives of the Company: for the provision of social housing, other housing, accommodation and offices for the Company's use are held as property plant and equipment. All other properties are held as investment properties. Shared ownership properties are not depreciated as the leaseholders have the responsibility for property maintenance. Non-property and property plant and equipment assets are depreciated at a component level over their estimated useful economic lives based on management experience. Costs of development are allocated on a pro-rata area basis for individual units. The year-end stock element of shared ownership properties are allocated on an estimate of the first tranche dates based on scheme appraisals and past sales.

Impairment reviews are regularly carried out at cash generating unit level to ensure that values recorded in the financial statements reflect the values in use. Cash generating units are defined at scheme/estate level for our social housing properties as this is the basis on which the assets are managed and assessed against their service potential. Properties are held for sale and in the course of construction are assessed against the net realisable value of the asset.

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

2 Turnover, cost of sales, operating expenditure and operating surplus

	2019			
	Turnover	Cost of Sales	Operating Costs	Operating surplus / (deficit)
	£	£	£	£
Social housing lettings (note 3)	855,651	-	(319,365)	536,286
Other social housing activities: First tranche low cost home ownership sales	2,928,626	(2,928,626)	-	-
Total	3,784,277	(2,928,626)	(319,365)	536,286
	2018			
	Turnover	Cost of Sales	Operating Cost	Operating surplus / (deficit)
	£	£	£	£
Social housing lettings (note 3)	426,019	-	(86,056)	339,963
Other social housing activities: First tranche low cost home ownership sales	3,205,261	(2,084,784)	(211,895)	908,582
Total	3,631,280	(2,084,784)	(297,951)	1,248,545

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

3 Particulars of turnover and administrative expenditure

Turnover and administrative expenditure from social housing lettings:

	2019	2019	2019	2018
	Affordable Rent	Shared Ownership	Total	Total
	£	£	£	£
Turnover				
Rents receivable net of identifiable service charges	556,207	273,168	829,375	412,042
Service charge income	12,666	13,610	26,276	13,977
Turnover from social housing lettings	568,873	286,778	855,651	426,019
Administrative expenditure				
Management	(142,802)	(71,990)	(214,792)	(31,138)
Routine maintenance	(14,286)	-	(14,286)	(4,976)
Depreciation of housing properties	(90,287)	-	(90,287)	(49,942)
Operating expenditure on social housing lettings	(247,375)	(71,990)	(319,365)	(86,056)
Operating surplus on social housing lettings	321,498	214,798	536,286	339,963

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

4 Accommodation owned, managed and in development

	Number of units at 2019	Number of units at 2018
<i>Social housing</i>		
General needs housing:		
Let at social rent	74	51
Affordable Rent	68	60
	<hr/>	<hr/>
Total owned	142	111

5 Disposals of housing properties held as tangible fixed assets

	2019 £	2018 £
Proceeds from the disposal of housing properties	597,567	-
Carrying value of housing properties	(331,550)	-
	<hr/>	<hr/>
	216,017	-

6 Surplus

Operating profit is stated after charging:

	2019 £	2018 £
Directors' remuneration	24,000	24,111
Depreciation	90,287	49,943
Auditors remuneration	10,000	9,000

7 Board and key management personnel remuneration

The only individuals to receive remuneration for services in the year were the Directors of the Company. There are no employees. The Directors are the key management personnel of the Company.

One executive director receives profit sharing remuneration not paid through Heyford Regeneration Limited.

The total remuneration paid to key management personnel in 2019 was £24,000 (2018: £24,111). The non-executive Directors were each paid £12,000 - this is the remuneration of the highest paid Director.

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

8 Tax

a) Tax on the surplus

	2019 £	2018 £
Current tax:		
UK corporation tax before double taxation relief	92,420	225,486
Adjustments in respect of previous periods	-	2,255
Total current tax	92,420	227,741
Tax on operating surplus (note 11(c))	92,420	227,741

b) Reconciliation of tax charge

The difference between the tax on operating surplus (note 11(a) above) and the operating surplus before tax multiplied by the applicable rate of corporation tax in the UK is reconciled below:

	2019 £	2018 £
Operating surplus before tax	393,321	1,074,235
Operating surplus multiplied by standard rate of corporation tax in the UK of 19 % (2018 - 19 %)	74,731	204,104
Effects of:		
Fixed asset differences	-	9,489
Expenses not deductible for tax purposes	-	21,382
Income not taxable for tax purposes	-	(9,489)
Other	17,689	-
Adjustments in respect of previous periods	-	2,255
Tax on operating surplus arising from ordinary activities (note 11(a))	92,420	227,741

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted at the balance sheet date. This will reduce the Company's future current tax charge accordingly.

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

9 Tangible fixed assets – housing properties

	Housing properties held for letting	Shared ownership properties	Housing properties under construction	Total
	£	£	£	£
Cost				
At 1 April 2018	4,554,347	5,320,879	190,078	10,065,304
Additions	1,488,356	1,209,042	459,616	3,157,014
Transfers	21,234	168,844	(190,078)	-
Disposals	-	(381,550)	-	(381,550)
At 31 March 2019	6,063,937	6,317,215	459,616	12,840,768
Depreciation				
At 1 April 2018	93,646	-	-	93,646
Charge for year	90,287	-	-	90,287
At 31 March 2019	183,933	-	-	183,933
Net book value:				
At 31 March 2019	5,880,004	6,317,215	459,616	12,656,835
At 31 March 2018	4,460,701	5,320,879	190,078	9,971,658

Heyford Regeneration Limited
Notes to the Financial Statements
Year Ended 31 March 2019

10 Stocks

	2019	2018
	£	£
Completed properties	304,479	829,666
	<hr/>	<hr/>

11 Debtors

	2019	2018
	£	£
Trade debtors	4,702	-
Other grants receivable	4,351	62,073
Unpaid share capital	99	99
Prepayments and accrued income	-	9,506
	<hr/>	<hr/>
	9,332	71,678
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	24,118	44,524
Corporation tax	92,940	225,750
Other creditors	3,946	1,251
Accruals and deferred income	2,571,938	646,166
Dividend Payable	-	998,879
	<hr/>	<hr/>
	2,692,942	1,916,570
	<hr/>	<hr/>

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

13 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loan	10,782,951	8,504,671

The interest rate on the bank loan, which is held with Lloyds Bank Plc, is 2.25% above LIBOR per annum and all outstanding amounts are repayable in full on the 13th March 2021.

Lloyds Bank Plc hold a first charge over the property assets of the Company as security for the loans held.

Financing costs of £95,984 (2018: £145,329) have been deferred over the term of the loan and offset against the balance due at the year end.

14 Share capital

Ordinary shares of £1 each

	Number	£
Allotted called up not paid		
At 31 March 2018	99	99
Issued during the year	-	-
At 31 March 2019	<u>99</u>	<u>99</u>

15 Dividends

A final dividend of £nil (2018: £998,879) was declared for the year ended 31 March 2019.

16 Capital Commitments

As at the year ended 31 March 2019, the Company was committed to purchase properties with a total value of £17,838,870 (2018 (as restated): £18,840,153).

The comparative capital commitments figure disclosed for 2018 was omitted in the prior period accounts and has therefore been corrected in these accounts. This has no effect on the profit and loss and other comprehensive income as previously stated.

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

17 Reconciliation of operating surplus to cash flow from operating activities

	2019 £	2018 £
Surplus for the year	300,901	846,494
Interest payable	301,440	190,986
Depreciation and impairment of tangible fixed assets	90,287	49,943
Profit/loss on disposal	(216,017)	-
(Increase) / decrease in stock	525,187	(746,896)
(Increase) / decrease in trade and other debtors	62,346	(63,789)
Increase / (decrease) in trade and other creditors	909,181	(4,874,028)
Tax paid	(132,810)	-
Net cash flow from operating activities	1,840,515	(4,597,290)

18 Related party transactions

During the year, Heyford Regeneration Limited purchased housing stock of £3,599,496 (2018: £4,118,156) from Heyford Park Developments Limited on an arms' length basis. At the year end, the amount owed to Heyford Park Developments Limited was £nil (2018: £325,703).

At the year end, Heyford Regeneration Limited owed £nil (2018: £nil) to Heyford Park Settlements LP. The amount owed to Heyford Park Settlements LP was an interest bearing loan. Interest charged during the year was £nil (2018: £178,684)

During the year, Heyford Regeneration Limited made payments to Vivere Group Limited of £906,384 (2018: £Nil) which were for costs incurred on behalf of Heyford Regeneration Limited related to first tranche sales receipts.

During the year, Heyford Regeneration Limited purchased property management services of £37,450 (2018: £Nil) from Heyford Park Management Company Limited. At the year end, the amount owed to Heyford Park Management Company Limited was £37,450 (2018: £Nil).

Heyford Park Settlements LP, Heyford Park Management Company Limited and Heyford Park Developments Limited are related parties due to a Director in common, Paul Silver. Vivere Group Limited is the immediate parent of the Company.

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2019

19 Financial instruments

The carrying amounts of the Company's financial instruments are as follows:

	2019 £	2018 £
<i>Financial assets</i>		
- Financial assets measured at fair value through surplus or deficit	1,522,180	264,370
- Financial assets measured at amortised cost	9,233	62,073
- Financial liabilities measured at amortised cost	<u>(13,475,891)</u>	<u>(10,421,241)</u>

20 Parent company

Heyford Regeneration Limited's immediate parent company is Vivere Group Limited, a company incorporated in England and Wales.

Heyford Regeneration Limited's ultimate controlling party is Paul Silver by way of his 100% shareholding in Vivere Group Limited.