

**Heyford Regeneration Limited
Financial Statements
Year Ended 31 March 2020**

Company registration number: 08610471

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Heyford Regeneration Limited

Company Information

Year Ended 31 March 2020

Regulator of Social Housing registration number

4796

Company registration number

08610471

Directors

Gavin Angell
David Levenson
Colin Sherriff
Paul Silver

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

Statement of Financial Position

Company number: 08610471

Year Ended 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	10	10,618,437	12,656,835
Current assets			
Stocks	11	1,333,804	304,479
Debtors	12	21,369	9,332
Cash at bank and in hand		2,323,802	1,522,180
		<u>3,678,975</u>	<u>1,835,991</u>
Creditors: amounts falling due within one year	13	(3,476,836)	(2,692,942)
Net current assets / (liabilities)		<u>202,139</u>	<u>(856,951)</u>
Total assets less current liabilities		<u>10,820,576</u>	<u>11,799,884</u>
Creditors: amounts falling due after more than one year	14	(9,703,360)	(10,782,951)
Total net assets / (liabilities)		<u>1,117,216</u>	<u>1,016,933</u>
Reserves			
Called up share capital	15	99	99
Profit and loss account		1,117,117	1,016,834
Total Reserves		<u>1,117,216</u>	<u>1,016,933</u>

The financial statements were approved and authorised for issue by the Board on 17/9/20.

Signed on behalf of the board

G Angell
Director

The notes on pages 4 to 10 form part of these accounts.

The profit and loss accounts and director's report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime. These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Heyford Regeneration Limited

Statement of Changes in Equity / Reserves

Year Ended 31 March 2020

	Called up share capital	Income and expenditure reserve	Total
	£	£	£
At 01 April 2018	99	715,933	716,032
Surplus / (deficit) for the year	-	300,901	300,901
Total comprehensive income	<u>99</u>	<u>300,901</u>	<u>300,901</u>
At 31 March 2019 and 01 April 2020	<u>99</u>	<u>1,016,834</u>	<u>1,016,933</u>
Profit for the year	-	2,100,283	2,100,283
Total comprehensive income	<u>-</u>	<u>2,100,283</u>	<u>2,100,283</u>
Dividends Transfers	-	(2,000,000)	(2,000,000)
At 31 March 2020	<u>99</u>	<u>1,117,117</u>	<u>1,117,216</u>
	_____	_____	_____

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2020

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 Company constitutes a public benefit entity as defined by FRS 102.

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 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006 / Cooperative and Community Benefit Societies Act 2014. 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, and rounded to the nearest £.

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 is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes England.

The disposal proceeds from the first tranche of shared ownership properties are included in turnover at the point of legal completion. The second and subsequent tranches are accounted for in administrative expenditure / operating income in the period in which the disposal occurs being the difference between the net sale proceeds and the net carrying value.

(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 2020

(f) Tangible fixed assets

Housing properties

Social housing properties are stated at historic cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Shared ownership properties (including those under construction) are split between housing properties in fixed assets and current assets. The split is determined by the expected percentage of the property to be sold under a first tranche disposal.

Land and other assets donated by local authorities and other government sources related to a specific development is added to cost at the fair value of the land at the time of the donation.

Major components of housing properties are depreciated at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

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

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

(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 relates 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.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(i) 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.

(j) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered is comparing the assets's carrying amount to its recoverable amount. The key indicators considered are XX.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

(k) 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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

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 dales 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 2020

2 Board and key management personnel remuneration

The Directors are the key management personnel of the Company, there are no employees. The total remuneration for key management personnel amounted to £36,000 (2019: £24,000). The non-executive Directors were each paid £18,000 (2019: £12,000), this is the remuneration of the highest paid Director.

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

3 Tangible fixed assets – housing properties

	Housing properties for letting	Housing properties under construction	Shared ownership properties	Total
	£	£	£	£
Cost:				
At 01 April 2019	6,063,937	459,616	6,317,215	12,840,768
Additions: completed properties acquired				
Additions: other	991,314	2,119,919	1,269,410	4,380,643
Transfers: schemes completed	122,321	(137,278)	17,949	2,991
Disposals			(6,317,215)	(6,317,215)
At 31 March 2020	7,177,572	2,442,257	1,287,359	10,907,188
Depreciation:				
At 01 April 2019	183,933	-	-	183,933
Charge for year	104,818	-	-	104,818
At 31 March 2020	288,751	-	-	288,751
Net book value:				
At 31 March 2020	6,888,821	2,442,257	1,287,359	10,618,437
At 31 March 2019	5,880,004	459,616	6,317,215	12,656,835

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2020

During the year, the Company entered into a sale agreement with a third party for the disposal of certain of their rental properties. The contract documenting this transaction was prepared correctly but the land transfer documents were processed erroneously by the Land Registry and included additional properties with a net book value of £866,710. Once the company realised the error following the year end, steps were taken for the position to be rectified and the land registry in relation to these properties was restored. As the risks and rewards of ownership of the properties were not deemed to have transferred from the company (with the company continuing to receive rentals for example), the directors concluded that it was appropriate for the financial statements to reflect the substance of the position. Therefore, the financial statements of the company include the net book value of these properties and the related rental income and depreciation.

4 Stocks

	2020 £	2019 £
Completed properties	1,333,804	304,479

5 Debtors

	2020 £	2019 £
Trade debtors	21,270	4,702
Amounts owed by group undertakings	-	-
Other grants receivable	-	4,351
Unpaid share capital	99	99

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	831,393	24,118
Other tax and social security	489,065	92,940
Other creditors	114,505	3,946
Accruals and deferred income	2,041,873	2,571,938

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2020

7 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans	9,703,360	10,782,951

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 £46,640 (2019; £95,984) have been deferred over the term of the loan and offset against the balance due at the year end.

8 Share capital

Ordinary shares of £1 each

	Number	£
Allotted called up and not paid At 01 April 2019	99	99
Issued during the year	-	-
At 31 March 2020	<u>99</u>	<u>99</u>

9 Dividends

A final dividend of £2,000,000 (2019: £nil) was declared for the year ended 31 March 2020.

10 Capital funding and commitments

	2020 £	2019 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	12,319,452	17,838,870
	<u>12,319,452</u>	<u>17,838,870</u>

It is intended that this anticipated capital expenditure will be financed by:

Agreed loans	£ 10,250,000
Property sales	<u>2,069,452</u>
	<u>12,319,452</u>

Heyford Regeneration Limited

Notes to the Financial Statements

Year Ended 31 March 2020

11 Events after the end of the period

On 11th March 2020 COVID-19 was declared a global pandemic. Although this was declared before the Balance Sheet date, the economic impact of COVID-19 continues to be felt beyond this date. The directors have carefully considered the impact of COVID-19 on these accounts prepared to 31 March 2020; notably the appropriateness of accounting estimates used and any significant assumptions made, including projected cash flows.

Otherwise there have been no material developments or events which have occurred after the balance sheet date.

12 Related party transactions

The immediate parent of Heyford Regeneration Limited is Vivere Group Limited, a company incorporated in England and Wales. The ultimate controlling party is Paul Silver by reason of his 100% shareholdings in Vivere Group Limited.

Information about related party transactions and outstanding balances is outlined below:

During the year, Heyford Regeneration Limited purchased housing stock of £nil (2019: £3,599,496) from Heyford Park Developments Limited on an arms' length basis. At the year end, the amount owed to Heyford Park Developments Limited was £nil (2019: £nil).

During the year, Heyford Regeneration Limited made payments to Vivere Group Limited of £1,000,000 (2019: £906,384) which were for costs incurred on behalf of Heyford Regeneration Limited related to first tranche sales receipts. At the year end, the amount owed by Vivere Group Limited was £nil (2019: £nil).

During the year, Heyford Regeneration Limited purchased property management services of £44,940 (2019: £37,450) from Heyford Park Management Company Limited. At the year end, the amount owed to Heyford Park Management Company Limited was £nil (2019: £37,450).

Heyford Park Management Company Limited and Heyford Park Developments Limited are related parties due to a Director in common, Paul Silver.

13 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.

14 Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2020 was unqualified.

The audit report was signed on 17/09/2020 by Sue Staunton MA FCA CF (Senior Statutory Auditor) on behalf of James Cowper Kreston