

Financial Statements

For the year ended March 2020

Company Name: Floreat Living Limited
Company Number: 10185938



Contents

Section	Page
Directors and Advisors	4
Report of the Directors	4
Independent auditor's report to the members of Floreat Living Limited	7
Statement of Comprehensive Income	9
Statement of Financial Position	10
Notes to the Financial Statements	11

Directors and Advisors

Current Directors	John Cross (Chair)	(Appointed December 2018)
	Richard Woolley	(Appointed March 2019)
	Paul Smith	(Appointed December 2018)
	Andrew Battrum	(Appointed September 2019)
	David Lincoln	(Appointed July 2017)
	Resigned in year	Simon Gibbs
Philippa Jones		(Appointed December 2018, Resigned April 2019)
Hilary Gardner		(Appointed December 2018, Resigned September 2019)
Secretary	Nicola Griffiths (Appointed March 2019)	
Registered office	Floreat Living Limited, C/O Connexus Housing Limited The Gateway The Auction Yard Craven Arms Shropshire United Kingdom SY7 9BW	
Registered number	Registered as a Company Limited by Shares	
Auditor	KPMG LLP One Snow Hill Snow Hill Queensway Birmingham B4 6GH Internal Auditors: Beever & Struthers St Philips Point Temple Row Birmingham B2 5AF	
Solicitor	Anthony Collins 134 Edmund Street Birmingham B3 2ES	
Company Number	10185938	

Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 March 2020.

Principal activities

Floreat Living was incorporated on 18 May 2016 and commenced trading in March 2018.

Floreat Living Limited is a private company limited by shares, incorporated under the Companies Act 2006. The company is a wholly owned trading subsidiary of Connexus Housing One Limited (formerly South Shropshire Housing Association).

The principal activity of the Company is to build homes for open market sale with the profits being gift aided to the Group parent, Connexus Housing Limited. Turnover during 2019/20 relates wholly to sales performance at Radbrook Village, Shrewsbury.

Political and other donations

No political or other donations were made during the year.

Dividends

No payment of dividends is proposed for the financial period.

Parent Company

Connexus Housing Limited is registered with the Cooperative and Community Benefit Societies Act 2014. It is also registered with the Regulator of Social housing as a Registered Provider. Connexus Housing Limited has charitable objectives and is a charity for tax purposes.

Directors and Directors' Indemnities

The Connexus Housing Group operates with co-terminous boards, where board members act for and on behalf of the Group. Membership of the Floreat Living Limited Board is drawn from members of the Group Board.

The directors of the Company who were in office during the year and up to the date of signing the financial statements are set out on page three. As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The Group also purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors.

Employees

The Company has no employees. All employee services are provided by Connexus Housing One Limited and recharged to the Company at cost plus 5%.

Going concern

The board, after reviewing the company budgets for 2020/21 and the group's medium term financial position as detailed in the 30- year business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the group and company have adequate resources to continue the business for the foreseeable future being a period of over 12 months from the date of approval of these statements (the going concern assessment period). The Board continues to adopt the going concern basis in preparing the financial statements.

Report of the Directors (continued)

Annual General Meeting

The annual general meeting will be held on 15 September 2020 at the registered office, The Gateway, The Auction Yard, Craven Arms.

Independent Auditors

KPMG LLP were appointed on 16 November 2017.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The report of the director's was approved by the Board on 15 September 2020 and signed on its behalf by:



John Cross
Director
15 September 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of Directors and the financial statements were approved by the Board on 15 September and signed on its behalf by:



John Cross

Director

15 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLOREAT LIVING LIMITED

For the year ended 31 March 2020

Opinion

We have audited the financial statements of Floreat Living Limited ("the company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements the directors' report;
- in our opinion the information given in that reports for the financial year is consistent with the financial statements; and

-
- in our opinion that reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Harry Mears (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP

One Snowhill, Snow Hill Queensway
Birmingham B4 6GH

24 September 2020

Statement of Comprehensive Income

For the period ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Turnover		9,412	2,328
Operating expenditure		(8,320)	(2,098)
Operating profit on ordinary activities before taxation	3	1,092	230
Interest and financing costs		(5)	(7)
Total profit for the year before taxation		1,087	223
Tax on profit on ordinary activities	4	206	-
Profit and total comprehensive income for the year		881	223

There is no material difference between the result/profit on ordinary activities before taxation and the result/profit for the financial year stated above and their historical costs equivalent.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

The results for the period are in respect of continuing operations.

Statement of Financial Position

As at the 31 March 2020

	Notes	2020 £'000	2019 £'000
Tangible Fixed Assets			
Tangible assets at cost		-	-
less: depreciation		-	-
Current assets			
Stock - Property under Construction		14,835	14,942
Trade and other debtors	7	3	-
Cash and cash equivalents	8	488	73
		15,326	15,015
Creditors: amounts falling due within one year	9	(15,326)	(15,015)
Net current assets		-	-
Total net assets		-	-
Provisions for liabilities		-	-
Capital and reserves			
Called up share capital	10	-	-
Income and expenditure account	11	-	-
Total equity on shareholders' funds	12	-	-

The financial statements on pages 10 to 16 were approved by the Board and authorised for issue on and signed on its behalf by:



John Cross
Director
15 September 2020



Nicola Griffiths
Secretary

Company number: 10185938

Notes to the Financial Statements

Notes to the Financial Statements

1. Legal status

Floreat Living Limited is a private company limited by shares, incorporated under the Companies Act 2006. The Company was incorporated on 18th May 2016 and became active in March 2018. The Company is a wholly owned subsidiary of South Shropshire Housing Limited.

2. Accounting policies

The following accounting policies have been adopted as being appropriate to the Company's circumstances with regard to giving a true and fair view and have been applied consistently in dealing with items which are considered to be material in relation to the Company's financial statements.

a. Cash flow

The Company is exempt from producing a cash flow statement in accordance with FRS102.

b. Basis of Accounting

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the historical cost convention, on an accruals and going concern basis.

c. Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future, being a period of twelve months after the date on which the report and financial statements were signed.

Floreat Living is a vehicle of Connexus Housing One Limited whose purpose is to build homes for open market sale with the profits being gift aided to the ultimate parent of the Group to further its charitable activities. The going concern is therefore based on the strength of the Group and its continued plan to expand its property portfolio.

The board, after reviewing the company budgets for 2020/21 and the group's medium term financial position as detailed in the 30- year business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the group and company have adequate resources to continue the business for the foreseeable future. The Board continues to adopt the going concern basis in preparing the financial statements.

d. Turnover

Turnover represents fees receivable for the provision of new homes. Turnover is recognised on the contractual completion of the sale.

Notes to the Financial Statements

Accounting policies (continued)

e. Management costs

Project Management costs are invoiced from Connexus Housing One Limited on the basis of an estimation of colleague time allocated, except for specific items of expenditure, which are allocated directly.

f. Reserves

Floreat Living Limited has a general reserve that is unrestricted and can be applied freely, at the discretion of the Company (within its powers). The Company has not earmarked any of this reserve, as a designated reserve, at this point in time.

g. Bad and doubtful debts

As substantially all debts are owed by the Group no provision has been made.

h. Taxation

The Company is liable to corporation tax on profits. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results, as stated in the financial statements. The recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

i. Value Added Tax

The Group is registered for VAT. The Company is registered within the Group for VAT purposes. No VAT is liable on charges between the Company and the parent.

Notes to the Financial Statements

3. Operating profit

	2020	2019
	£'000	£'000
Operating profit is arrived after charging:		
Auditor's remuneration for external audit services (excluding VAT)	5	4

4. Tax on result/profit on ordinary activities

	2020	2019
	£'000	£'000
Current Tax		
UK Corporation tax on surplus for the year	206	-
Total current tax	206	-
Total tax reconciliation		
Profit on ordinary activities before tax	1,087	223
Theoretical tax at UK corporation tax rate 19% (2019: 19%)	206	42
Tax credit on gift aid	-	(42)
Total tax expense included in profit or loss	206	-

Corporation tax liability in 2019 was nil due to full gift aid to the Group parent.

5. Employees

The Company employed no staff and incurred no employee costs during the year.

6. Directors' emoluments

The directors are also directors of the parent Connexus Housing Limited, or subsidiaries within the Group. Their emoluments are paid by the ultimate parent company which makes no recharge to Floreat Living Limited. Their roles to Floreat Living Limited are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the ultimate parent company.

7. Debtors

	2020	2019
	£'000	£'000
Due within one year:		
Prepayments and accrued income	-	-
Amounts owed by group members	-	-
Other debtors	3	-
	3	-

Notes to the Financial Statements

8. Cash at bank and in hand

	Note	2020 £'000	2019 £'000
Cash and cash equivalents		488	73
		488	73

9. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	540	771
Amounts owed to group undertakings	13,469	13,975
Accruals and deferred income	431	269
	14,440	15,015

10. Called up share capital

	2020 Number	2019 Number
Number of £1 shares at beginning of the period	2	2
Returned shares	-	-
Shares issued during the financial period	-	-
Number of shares at 31 March	2	2

11. Profit and loss account

	2020 £'000	2019 £'000
Balance at beginning of the period	-	-
Profit for the financial period	881	223
	881	223

Notes to the Financial Statements

12. Reconciliation of movements in shareholders' funds

	2020	2019
	£'000	£'000
Balance at beginning of the period	-	-
Profit / (loss) for the financial year / period	881	223
Distribution to shareholders in the form of gift aid	-	(223)
Tax credit on gift aid	-	-
Closing shareholders' funds / (deficit)	881	-

13. Related party transactions

The directors of the Company are either employees or Board Members of the ultimate parent, Connexus Housing Limited. As the Company is a wholly owned subsidiary, it has taken advantage of the exemption under FRS8 not to disclose in full intra-group transactions.

14. Post balance sheet events

There are no significant post balance sheet events requiring adjustment to, or disclosure in, the financial statements.

15. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Connexus Housing One Limited, and has taken advantage of the following exemptions:

- Exemption from producing a cash flow statement in accordance with FRS102
- Exemption from disclosing transactions or balances with entities which form part of the Group.

The Company's ultimate parent undertaking, is Connexus Housing Limited, a company incorporated in Great Britain.

The consolidated financial statements of Connexus Housing Limited are available from the Company Secretary, The Auction Yard, Craven Arms, Shropshire, SY7 9BW.

