

THCH NEW HOMES LIMITED

**THCH NEW HOMES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2018**

Company No. 6171492

THCH NEW HOMES LIMITED

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THCH NEW HOMES LIMITED

Company Information

Directors	Martin Young (Chair) Carlo Gibbs Nick Abbey Rabina Khan Ruediger Kloss Ken Beech (Resigned 31/07/17) Stuart Madewell (Resigned 08/03/18)
Secretary	Phillip Sullivan (Resigned 22/02/18) David Joyce (Appointed 22/02/18)
Bankers	Barclays Bank plc Level 27 1 Churchill Place London E15 5HP
Auditor	Mazars Tower Bridge House St Katharine's Way London E1W 1DD
Registered Office	285 Commercial Road London E1 2PS
Registered Number	06171492

THCH NEW HOMES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activities and review of business

The principal activity of the company is to acquire, develop, and sell housing properties on the open market.

8 car spaces at St Peters Underground Car Park remain unsold.

As shown in Note 8 to the accounts, the 8 unsold car spaces make up the total stock and work-in-progress of £51,000 as at 31 March 2018.

Results

Gross profit for 2017/18 was generated from the sale of the commercial unit at 640 Commercial Road for £249,000 and the transfer of the freeholds at Earl Atlee Court, Verdigris Apartments & Claremont Court totalling £683,000. A Gift Aid donation of £2,601,000 was made during the year as agreed by the board in 2016/17.

Directors

THCH New Homes Limited is a wholly owned subsidiary of Tower Hamlets Community Housing Limited. The directors who served during the year are as listed on page 3.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with 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 judgments 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; 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 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.

THCH NEW HOMES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Provision of information to the auditor

Each of the persons who is a director at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

The directors have prepared this report in accordance with the provisions of FRS102 Section 1A small entities.

This report was approved by the Board on 05 July 2018 and signed on its behalf by:



Martin Young
Chair

THCH NEW HOMES LIMITED

Independent auditor's report to the members of THCH New Homes Limited

Opinion

We have audited the financial statements of THCH New Homes Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's 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 UK, including the FRC'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 Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has 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 auditor's 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

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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.

Opinions 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 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

Auditor's 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 auditor's 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with

THCH NEW HOMES LIMITED

applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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 auditor's report.

Use of the audit 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. 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.



Lee Cartwright
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date: 15 August 2010

THCH NEW HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017* £000 <i>Restated</i>
Turnover	1	1,293	7,741
Cost of sales		(361)	(4,926)
Gross profit		932	2,815
Administrative expenses		(73)	(191)
Other operating income	3	79	194
Operating Profit	4	938	2,818
Interest and financing costs	6	-	(30)
Profit/ (Loss) on ordinary activities before taxation		938	2,788
Taxation	7	-	3
Total comprehensive income for the year		938	2,791

*2016/17 figures have been restated to reflect the new treatment of Gift aid

THCH NEW HOMES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 £000	2017 £000 <i>Restated</i>
Current Assets			
Inventories	8	51	413
Debtors	9	-	2
Cash and cash equivalents		1,269	2,610
		<hr/>	<hr/>
		1,320	3,025
Creditors: Amounts falling due within one year	10	(348)	(390)
		<hr/>	<hr/>
Net current assets		972	2,635
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	-	-
Revenue reserves		972	2,635
		<hr/>	<hr/>
Shareholders' funds		972	2,635
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102 Section 1A- small entities.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 05 July 2018 by:



M Young
Director



D Joyce
Company Secretary

THCH NEW HOMES LIMITED

Registered Number 06171492

STATEMENT OF CHANGES IN RESERVES

	2018 Revenue Reserves £000	2017 Revenue Reserves £000 <i>Restated</i>
At 1 April 2017	2,635	(156)
Total comprehensive income for the year	938	2,791
Distribution of profit to parent company	(2,601)	-
	<hr/> 972 <hr/>	<hr/> 2,635 <hr/>
At 31 March 2018	972	2,635
	<hr/> 972 <hr/>	<hr/> 2,635 <hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Financial Reporting Standard FRS102.

1.2 Statement of Cash Flows

The company has claimed the exemption from the requirement to present a Statement of Cash Flows as permitted by the Financial Reporting Standard FRS102 Section A1.

1.3 Turnover

Turnover represents the proceeds from properties developed for outright sale. Turnover is recognised on the completion of sales.

1.4 Taxation

The company is liable to UK Corporation Tax on any trading profits and chargeable gains that may arise.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

1.6 Inventories

Costs incurred in respect of the development of properties are accrued and carried forward as work in progress at the lower of cost and net realisable value. Work in progress includes the appropriate element of capitalized interest, financing costs and development overheads.

1.7 Gift aid

THCH New Homes Limited gift aid's profits after tax to its charitable parent company, Tower Hamlets Community Housing Limited. The amount of gift aid paid within the year is agreed by the Board of THCH New Homes.

2. Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Assumptions have been made on the net realisable value of assets in work in progress.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Other operating income

	2018 £000	2017 £000
Service charges and other income	77	193
Interest Receivable	2	1
	<u>79</u>	<u>194</u>

4. Operating profit/ (loss)

The operating profit/ (loss) is stated after charging:

	2018 £000	2017 £000
Auditors' remuneration (excluding VAT):		
As auditors	5	3
Other fees	-	-
	<u>-</u>	<u>-</u>

During the year, no director received any emoluments (2017: £nil).

5. Gift aid

In the current year, the company made a Gift aid donation of £2,600,000 (2017: £Nil). This was previously accrued for in the 2017 financial statements, but due to a change in accounting policy arising from the triennial review of FRS 102, this is now accounted for in the year it is paid. This has resulted in a prior year adjustment and the 2017 accounts have been restated in respect of this.

6. Interest and financing costs

	2018 £000	2017 £000
On loans from parent company	-	146
Capitalised interest	-	(116)
	<u>-</u>	<u>30</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7. Taxation

	2018	2017
	£000	£000
UK Corporation Tax	-	-

Factors affecting tax charge for the year

	2018	2017
	£000	£000
		Restated
Profit/(Loss) on ordinary activities before tax	<u>938</u>	<u>2,788</u>
Profit/ (Loss) on ordinary activities, multiplied by standard rate of corporation tax in the UK of 19% (2017:20%)	178	558
Gift aid relief	(173)	(520)
(Losses used)/Losses carried forward	(5)	(38)
Tax refund received in year	(5)	(3)
Current tax charge/(credit) for the year	(5)	(3)

The company has £Nil (2017: Nil) of unrelieved tax losses. No deferred tax asset has been provided in these accounts due to the uncertainty of future profits.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. Inventories

	2018 £000	2017 £000
Assets for sale	51	413
	<hr/>	<hr/>

9. Debtors

	2018 £000	2017 £000
Other debtors	-	2
	<hr/>	<hr/>

10. Creditors: Amounts falling due within one year

	2018 £000	2017 £000 <i>Restated</i>
Other creditors and accruals	348	390
	<hr/>	<hr/>
	348	390
	<hr/>	<hr/>

11. Share capital

	2018 £	2017 £
Authorised: 5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
	<hr/>	<hr/>
Allotted and called up: 1 ordinary share of £1 each	1	1
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Commitments

	2018 £000	2017 £000
Capital expenditure contracted for	-	-

13. Ultimate parent undertaking and controlling party

The company is a subsidiary of Tower Hamlets Community Housing Limited (THCH), a Registered Provider of Social Housing, which has the power to appoint board members to the company.

A copy of the audited accounts of THCH is available from: The Secretary, Tower Hamlets Community Housing Limited, 285 Commercial Road, London E1 2PS.

14. Related party transactions

During the year, the company did not receive any loans (2017: £210,000) from THCH. THCH did not charge the company during 2018 (2017: £23,039) for services provided.

The Board has authorised a donation of £911,000 for gift aid to THCH (2017: £2,600,000). Donation will be made by December 2018.

Stuart Madewell was a director who resigned during the year, is a tenant of the parent company, Tower Hamlets Community Housing Limited (THCH). His tenancy is on normal commercial terms and the director cannot use his position to his advantage.