

OAKBROOK HOMES LIMITED

Financial Statements

for the year ended 31 March 2020

Company Registration Number 09828967

Bromford.

Oakbrook Homes Limited

General information For the year ended 31 March 2020

Contents

	Pages
General information	1
The Directors' Report	2
Independent Auditor's Report	4
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

Oakbrook Homes Limited

General information

For the year ended 31 March 2020

The directors and their interests in the shares of the company

The directors who served from 1 April 2019 up to the date of approval of these financial statements were as follows:

Directors	Appointment/Retirement Date
Richard Bird	Appointed as Chair of Oakbrook Homes Limited 25 February 2019 Appointed as a director from 2 July 2018
Martyn Blackman	Appointed 27 July 2017
Robert Nettleton	Appointed 16 October 2015

Company Secretary:

	Appointment/Retirement Date
Sarah Beal	Appointed 10 August 2018

There is only one issued share in the Company, which is held by Merlin Housing Society Limited.

Advisors:

External Auditors:

KPMG LLP
One Snowhill,
Snow Hill Queensway
Birmingham,
B4 6GH

Business Assurance Provider:

Price Waterhouse Coopers LLP
2 Glass Wharf
Bristol BS2 0FR

Bankers:

Lloyds Bank plc,
PO Box 72, Bailey Drive,
Gillingham Business Park,
Gillingham, Kent,
ME8 0LS.

Registered office:

Building 1, Riverside Court
Bowling Hill,
Chipping Sodbury,
Bristol,
BS37 6JX.

Oakbrook Homes Limited

The Directors' Report For the year end 31 March 2020

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2020.

Principal activities

Oakbrook Homes Limited (**Oakbrook** or **the Company**) is a wholly owned subsidiary of Merlin Housing Society Limited (Merlin), which is part of the Bromford Housing Group Limited (**BHG**). BHG is a Registered Provider of Social Housing and a Registered Society under the Co-operative and Community Benefit Societies Act 2014. Together, BHG and its subsidiaries are known as '**Bromford**'.

Bromford exists to provide affordable homes for people who can't access market housing. We believe in providing safe, secure and warm homes, but we're ultimately a people business. Not only do we care about what happens to people that live in a Bromford home, we want people to thrive.

That's why our purpose is simple and honest. ***We invest in homes and relationships so people can thrive.***

Bromford is a housing group – one that owns 44,000 homes; has individual relationships with more than 100,000 customers; has a very strong balance sheet; and plans to build a further 14,000 new homes over the next decade. All this is only possible because of the 1,800 people who work for the organisation.

Oakbrook's principal activities are the provision of design and build services to Bromford.

Business review

The results for the year are set out in the statement of comprehensive income on page 6. All aspects of the business work on a 2% cost plus margin basis giving pre-tax profit of £52,082 (2018/19 £93,721). Revenues for the year were £2,654,143 (2018/19: £4,782,069).

Dividends

During the financial year the company paid gift aid of £93,720 to Merlin Housing Society (2018/19 £159,776).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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.

Oakbrook Homes Limited

The Directors' Report For the year end 31 March 2020

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.

Going Concern

The directors 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 in business for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing the annual financial statements.

Information for Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- They have taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

In preparing the accounts, the directors have a reasonable expectation that Oakbrook has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements set out on pages 6 to 14 have been prepared on a going concern basis.

Appointment of Auditors

KPMG LLP were appointed as Bromford's external auditors for a period of up to five years to 2021.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company's exemption.

This report was approved for issue by the Board of Directors on 28 July 2020 and signed on its behalf by:



Richard Bird
Director

Oakbrook Homes Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OAKBROOK HOMES LIMITED

Opinion

We have audited the financial statements of Oakbrook Homes 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 1.

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 report 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 in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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

Oakbrook Homes Limited

- 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
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 2 to 3, 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.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH
United Kingdom

4 August 2020

Oakbrook Homes Limited

Statement of Comprehensive Income For the year ended 31 March 2020

	Notes	2020 £	2019 £
Turnover		2,654,143	4,782,069
Cost of sales		(2,514,283)	(4,593,621)
Operating costs		(87,778)	(94,727)
Operating profit	2	52,082	93,721
Interest and financing costs		-	-
Profit on ordinary activities before taxation		52,082	93,721
Taxation	5	(286)	-
Profit on ordinary activities after taxation		51,796	93,721
Total comprehensive income for the year		51,796	93,721

The notes on pages 9 to 14 form an integral part of these financial statements

Oakbrook Homes Limited

Statement of Financial Position As at 31 March 2020

	Notes	2020 £	2019 £
Current Assets			
Trade and other debtors : receivable within one year	6	632,186	2,021,702
Cash and cash equivalents		-	-
		<u>632,186</u>	<u>2,021,702</u>
Creditors: Amounts falling due within one year	7	<u>(580,388)</u>	<u>(1,927,980)</u>
Net current assets		51,798	93,722
Total assets less current liabilities		<u>51,798</u>	<u>93,722</u>
Total net assets		<u>51,798</u>	<u>93,722</u>
Reserves			
Called up share capital	8	1	1
Income and Expenditure Reserve		51,797	93,721
Shareholder funds		<u>51,798</u>	<u>93,722</u>

The notes on pages 9 to 14 form an integral part of these financial statements

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board of Directors and authorised for issue on 28 July 2020, and are signed on behalf of the Board by



Richard Bird
Director

Company Registration number 09828967

Oakbrook Homes Limited

Notes to the Financial Statements For the year ended 31 March 2020

	Share capital £	Income and Expenditure Reserve £	Total £
Balance at 1 April 2018	1	159,776	159,777
Surplus from Statement of Comprehensive Income	-	93,721	93,721
Gift aid	-	(159,776)	(159,776)
Balance at 31 March 2019	1	93,721	93,722
Surplus from Statement of Comprehensive Income	-	51,796	51,796
Gift aid	-	(93,720)	(93,720)
Balance at 31 March 2020	1	51,797	51,798

The notes on pages 9 to 14 form an integral part of these financial statements

Oakbrook Homes Limited

Notes to the Financial Statements For the year ended 31 March 2020

Legal status

Oakbrook Homes Limited is a company limited by shares incorporated in England under the Companies Act 2006 company number 09828967. The registered office is Building 1, Riverside Court, Bowling Hill, Chipping Sodbury, Bristol, BS37 6JX.

1. Accounting policies

Basis of accounting

The company's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP).

The financial statements comply with the Companies Act 2006. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £.

The company's financial statements have been prepared in compliance with FRS 102.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

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 in business for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing the annual financial statements.

Turnover

Turnover represents charges to Merlin in respect of the provision of development services recognised on an accruals basis.

Gift Aid

The company, as a subsidiary of a charitable parent, has recognised the tax credit on gift aid payment into account at the reporting date, where it is probable a gift aid payment will be made within nine months of the reporting date. Additionally, the tax credit of the gift aid payment has been recognised in the Statement of Comprehensive Income.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that where a tax change arises as a result of an item recognised as other comprehensive income or recognised directly in equity, that tax charge is also recognised in other comprehensive income or directly in equity as appropriate.

Oakbrook Homes Limited

Notes to the Financial Statements For the year ended 31 March 2020

Both the current and deferred income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Oakbrook Homes Limited

Notes to the Financial Statements For the year ended 31 March 2020

Work in progress and long-term contracts

Long term contracts have been assessed on a contract by contract basis and reflected in the Statement of Comprehensive Income by recording turnover and related costs as contract activity progresses i.e. the percentage completion method.

Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit less foreseeable losses has been recognised in the Statement of Comprehensive Income as the difference between the reported turnover and related costs for the contract.

The amount of long term contracts as costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in work in progress and stock as long term contract balances. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long term contracts. Payments in excess of recorded turnover and long-term contract balances are included in creditors as payments received on account on long term contracts. The amount by which provisions or accruals for foreseeable losses exceed costs incurred, after transfers to cost of sales, is included within either provisions for liabilities or creditors as appropriate.

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through the statement of comprehensive income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial instruments held are classified as follows:

Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.

Oakbrook Homes Limited

Notes to the Financial Statements For the year ended 31 March 2020

2. Surplus on ordinary activities

The surplus on ordinary activities is stated after charging	2020	2019
	£	£
Current auditor's remuneration		
- Audit of financial statements	<u>8,000</u>	<u>6,250</u>

3. Colleague costs

The company does not employ any colleagues.

Colleagues in the group are employed on a joint and several basis by the Group and its members. Details of colleague numbers and costs are available in the group accounts.

4. Directors' emoluments

Emoluments to directors are paid through Bromford Housing Group and are disclosed in the group accounts. No Directors' emoluments are charged to the company.

5. Taxation on surplus on ordinary activities	2020	2019
	£	£
Current tax		
UK corporation tax charge on ordinary activities	286	-
Under/(over) provision in previous years	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>
Total tax reconciliation		
Profit on Ordinary Activities	<u>52,082</u>	<u>93,721</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	9,896	17,807
Tax credit in respect of a gift aid payment	(9,610)	(17,807)
	<u>286</u>	<u>-</u>

Oakbrook Homes Limited

Notes to the Financial Statements For the year ended 31 March 2020

6. Trade and other debtors	2020	2019
	£	£
Amounts falling due within one year		
Amounts due from group companies	603,312	2,008,185
Other taxes and social security	28,874	13,517
	<u>632,186</u>	<u>2,021,702</u>
7. Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	4,459	41,840
Amounts due to group companies	-	1,081,081
Accruals and deferred income	575,929	805,059
	<u>580,388</u>	<u>1,927,980</u>
8. Share Capital	2020	2019
	£	£
Issued and fully paid		
At 1 April and 31 March	<u>1</u>	<u>1</u>

The ordinary shares have attached to them full voting, dividend and capital distribution rights, including on winding up. They do not confer any rights of redemption.

Oakbrook Homes Limited

Notes to the Financial Statements For the year ended 31 March 2020

9. Financial instruments

The company's financial instruments may be analysed as follows

	2020	2019
	£	£
Financial assets		
Financial assets measured at amortised cost		
Other receivables	632,186	2,021,702
Cash and cash equivalents	-	-
Total financial assets	<u>632,186</u>	<u>2,021,702</u>
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	4,459	41,840
Other creditors	-	1,081,081
Total financial liabilities	<u>4,459</u>	<u>1,122,921</u>

10. Related party transactions

The company has taken advantage of the exemption provided by s33.1A of FRS102 not to disclose related party transactions with other group companies.

11. Parent Entity

The company's ultimate parent undertaking and controlling party is Bromford Housing Group Limited (Registered Society Number 29996R).

Copies of the financial statements for Bromford Housing Group Limited are available from 1 Exchange Court, Brabourne Avenue, Wolverhampton Business Park, Wolverhampton, WV10 6AU.

12. Post Balance Sheet Event

The COVID-19 pandemic is disclosed as a non-adjusting balance sheet event and the Board has adopted the going concern basis in preparing the annual financial statements.