

GREAT WESTERN ASSURED GROWTH LIMITED

Financial Statements

Year ended 31 March 2015

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GREAT WESTERN ASSURED GROWTH LIMITED
Company Number 02525892

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GREAT WESTERN ASSURED GROWTH LIMITED
Company Number 02525892

DIRECTORS, ADVISERS AND BANKERS
As at 31 March 2015

DIRECTORS

CHAIR

Graham Watts (from 11 September 2014)
Stewart Wright (to 11 September 2014)

OTHER DIRECTORS

Nick Horne
Richard Taylor

SECRETARY

Charlotte Ferris

AUDITORS

Mazars LLP

BANKERS

Barclays Bank Plc

REGISTERED OFFICE

Knightstone Housing
Weston Gateway Business Park
Weston-super-Mare
BS24 7JP

REPORT OF THE DIRECTORS

Introduction

The directors present their annual report and audited financial statements for the year ended 31 March 2015.

Principal activity and review of the business

The company's principal activity is the management of social housing.

Directors' responsibilities for 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 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 judgements and accounting 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;
- 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.

Results and dividends

The profit for the year after depreciation and taxation amounted to £792,754 (2014: £611,360). This profit has been distributed as Gift Aid through reserves. The directors do not recommend the payment of a dividend (2014: Nil).

Fixed assets

Details of the movements in fixed assets during the year are set out in note 6 to the financial statements.

Statement as to disclosure of information to auditors

Each of the directors at the date of approval of this report has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- The director has taken all the steps that he ought to have taken as a director to make himself aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS

Directors

The directors who served during the year are shown below:

Graham Watts (from 11 September 2014)
Nick Horne
Richard Taylor
Stewart Wright (to 11 September 2014)

Directors' interest in shares

None of the directors who held office at 31 March 2015 has a beneficial interest in the shares of the company or any other company within the Knightstone Housing Group. Stewart Wright held shares in Knightstone Housing Group Limited, Knightstone Housing Association Limited and Knightstone Charitable Housing Limited up to 11 September 2014 and Richard Taylor and Graham Watts hold shares in Knightstone Housing Group Limited, Knightstone Housing Association Limited and Knightstone Charitable Housing Limited. These shares provide members with a right to vote at general meetings but do not provide any rights to dividends or distribution on a winding up.

Payment policy

The company adheres to the suppliers' standard terms. Due to the nature of the company's creditors, the number of creditor days in the Balance Sheet is not meaningful and has not been disclosed.

Indemnity provisions for Directors

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors

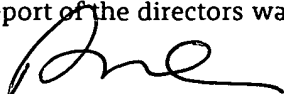
Annual General Meeting (AGM)

Pursuant to the Companies Act 2006 the company is not required to hold an AGM or to lay its accounts before the members.

Auditors

The directors propose the re-appointment of Mazars LLP as Auditors and Mazars LLP have expressed their willingness to continue in office.

The report of the directors was approved on 16 July 2015 and signed on its behalf by



Richard Taylor
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GREAT WESTERN ASSURED GROWTH LIMITED (Company Number 02525892)**

We have audited the financial statements of Great Western Assured Growth Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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



Stephen Eames (Senior Statutory Auditor)
For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street
Birmingham
West Midlands
B3 2RT

3 August 2015

GREAT WESTERN ASSURED GROWTH LIMITED
Company Number 02525892

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2015

	Notes	2015 £	2014 £ Restated
TURNOVER		835,446	775,468
Direct property management costs		(180,426)	(401,570)
Depreciation on housing properties		(107,160)	(112,073)
Administrative costs		(5,221)	(33,541)
OPERATING COSTS		(292,807)	(547,184)
OPERATING PROFIT	2	542,639	228,284
Profit on sale of properties	3	250,033	383,081
Interest receivable and similar income		114	-
Interest payable and similar charges		(32)	(5)
PROFIT BEFORE TAXATION		792,754	611,360
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR	10	792,754	611,360

The results included in the profit and loss account relate wholly to continuing activities.

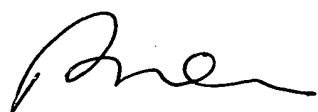
There are no recognised gains and losses other than those reported above, accordingly no statement of total recognised gains and losses has been prepared.

GREAT WESTERN ASSURED GROWTH LIMITED
Company Number 02525892

BALANCE SHEET
As at 31 March 2015

	Notes	2015 £	2014 £
TANGIBLE FIXED ASSETS			
Housing properties	6	<u>4,515,062</u>	<u>4,698,562</u>
CURRENT ASSETS			
Debtors	7	237,213	602,827
Cash at bank		<u>273,756</u>	<u>26,081</u>
		510,969	628,908
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(359,287)</u>	<u>(624,411)</u>
NET CURRENT ASSETS		<u>151,682</u>	<u>4,497</u>
NET ASSETS		<u><u>4,666,744</u></u>	<u><u>4,703,059</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	<u>4,666,743</u>	<u>4,703,058</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	10	<u><u>4,666,744</u></u>	<u><u>4,703,059</u></u>

The financial statements were approved by the directors on 16 July 2015 and were signed on its behalf by:



Richard Taylor
Director



Charlotte Ferris
Secretary

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

(b) Tangible fixed assets - housing properties

Housing properties are stated at historic cost less other grants and depreciation. Cost includes the cost of acquiring land and buildings, relevant development costs, expenditure incurred in respect of improvements and, in respect of years prior to 1989 and after 1 April 1997, interest charges incurred during the development year.

Any impairment in value of properties would be charged to the Profit and Loss Account.

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight line basis, over their useful economic lives in the business. Freehold land is not depreciated.

The housing properties are depreciated over the following years:

	Houses	Flats
New build	100	100
Rehabilitated	50	50

Communal assets are depreciated over 1 to 25 years.

Properties held on long leases are depreciated over their estimated useful economic lives or the lease if shorter. For properties where a structure has an estimated useful economic life of more than 50 years, impairment reviews are carried out on an annual basis in accordance with FRS 11.

Major components of housing properties are treated as separate assets and depreciated over their expected useful economic lives or the lives of the properties to which they relate, if shorter, at the following annual rates:

Roof	50-60 years
Doors and windows	30 years
Kitchen	20 years
Bathroom	30 years
Heating system	15 years
Lift	25 years

The costs of replacing these components are capitalised in full. The costs of partially replacing or repairing these components are charged to the Profit and Loss Account.

Any impairment in value of properties would be charged to the Profit and Loss Account.

(c) Turnover

Turnover represents net rents and service charges receivable in the United Kingdom.

(d) Taxation

The charge for taxation is based on profits arising on certain activities which are liable to tax.

Deferred tax is provided in full on timing differences that result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

(e) Cash Flow Statement

The company has taken advantage of the exemption contained in Financial Reporting Standard No 1 (Revised) from the requirement to present a cash flow statement, on the grounds that its cash flows are included in the consolidated accounts of the ultimate parent company.

2. OPERATING PROFIT - CONTINUING ACTIVITIES

	2015 £	2014 £
The operating surplus is stated after charging:		
Auditors' remuneration		
- audit fees (excluding VAT)	-	1,000
Bad debts written off	3,699	2,285
Depreciation	107,160	112,073
	<u>107,160</u>	<u>112,073</u>

During 2015, the audit fees for the Company were paid for by the ultimate parent company, Knightstone Housing Group Limited and disclosed within its consolidation accounts. The proportion of the audit fee attributable to the Company is £1,000.

3. PROFIT ON SALE OF HOUSING PROPERTIES

	2015			2014		
	Proceeds £	Cost of sales £	Profit £	Proceeds £	Cost of sales £	Profit £
Asset Sales	345,500	(95,467)	250,033	540,500	(157,419)	383,081
	<u>345,500</u>	<u>(95,467)</u>	<u>250,033</u>	<u>540,500</u>	<u>(157,419)</u>	<u>383,081</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £	2014 £
a) Analysis of charge in year		
Current tax:		
UK corporation tax on profit for the year	-	-
Adjustments in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
	2015 £	2014 £ Restated
(b) Factors affecting tax charge for year		
Profit on ordinary activities before tax	792,754	611,360
Gift Aid Donation to Knightstone Housing Association	(829,069)	(589,421)
	<u>(36,315)</u>	<u>21,939</u>
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 20%	(7,263)	4,388
<i>Effects of:</i>		
Expenses not deductible	21,432	22,414
Group relief claimed	(50,007)	(76,616)
Chargeable gains (inc Rollover relief)	35,940	49,701
Capital allowances in excess of depreciation	-	(211)
Accelerated capital allowances and other timing differences	(102)	324
Utilisation of losses	-	-
	<u>-</u>	<u>-</u>
Current tax charge for year	<u>-</u>	<u>-</u>

Gift aid payments are treated as distributions. Previously they were accounted for as expenditure in the income and expenditure account. Consequently the prior year reconciliation has been adjusted in line with this change of accounting policy

5. DIRECTORS AND EMPLOYEES

No emoluments or expenses were paid to directors during the year (2014 - £nil) for their services to this company. The company had no employees during the year (2014 - none).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

6. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Freehold £	Long leasehold £	Total £
Cost			
At 1 April 2014	55,882	6,142,092	6,197,974
Additions	-	4,713	4,713
Disposals	-	(110,219)	(110,219)
At 31 March 2015	<u>55,882</u>	<u>6,036,586</u>	<u>6,092,468</u>
Depreciation			
At 1 April 2014	11,423	1,487,989	1,499,412
Charge for the year	774	106,386	107,160
Depreciation eliminated on disposal	-	(29,166)	(29,166)
At 31 March 2015	<u>12,197</u>	<u>1,565,209</u>	<u>1,577,406</u>
Net Book Value			
At 31 March 2015	<u>43,685</u>	<u>4,471,377</u>	<u>4,515,062</u>
At 31 March 2014	<u>44,459</u>	<u>4,654,103</u>	<u>4,698,562</u>

7. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Arrears of rent and service charges	21,955	16,544
Less provision for doubtful debts	(11,000)	(10,541)
	<u>10,955</u>	<u>6,003</u>
Rental cash due	8	8
Fees due from managing agents	113,959	111,549
Amounts due from group undertakings	112,291	485,267
	<u>237,213</u>	<u>602,827</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Amounts due to Group undertakings	320,972	589,421
Accruals and deferred income	26,259	26,259
Amounts held on behalf of homeowners	1,484	888
Provisions	175	175
Rent in advance	10,397	7,668
	<u>359,287</u>	<u>624,411</u>

9. SHARE CAPITAL

	Number	2015 £	2014 £
Allotted, called up and fully paid:			
Ordinary shares of 50p each	2	1	1
	<u>2</u>	<u>1</u>	<u>1</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Reserves £	Total £
At 1 April 2014	1	4,703,058	4,703,059
Loss for the financial year	-	792,754	792,754
Gift Aid donation made to Knightstone Housing Association Limited		(829,069)	(829,069)
As at 31 March 2015	<u>1</u>	<u>4,666,743</u>	<u>4,666,744</u>

Gift aid payments are treated as distributions in accordance with the guidance included in the Institute of Chartered Accountants technical release 'Guidance on donations by a company to its parent charity'. This represents a change of accounting policy, the effect of which is to charge gift aid payments as a distribution of reserves. Previously they were accounted for as expenditure in the income and expenditure account. Consequently the prior year income and expenditure account and movement on reserves have been adjusted in line with this change of accounting policy.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related Party Transactions" and has not disclosed transactions with other group companies.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

13. POST BALANCE SHEET EVENTS

On 20th April 2015 75 properties were sold to Sovereign Housing Association Limited with proceeds totalling £7.4m, costs totalling £1.9m and surplus of £5.5m, along with a further 2 properties sold on the open market with proceeds totalling £0.3m, costs of £0.1m and surplus of £0.2m.