

**Hanover Housing Developments Limited**  
**(A Company Limited by Shares)**

**Report and Financial Statements**

**Year Ended**  
**31 March 2014**

**Registered at Companies House No. 06856299**



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**Annual report and financial statements**  
**For the year ended 31 March 2014**

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## **Annual report and financial statements**

**For the year ended 31 March 2014**

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### **Board of Directors**

Mr J Graham OBE	Chair
Mr B Moore	Resigned 08/09/2013
Ms B Matthews	Resigned 28/02/2014
Lord Richard Best OBE	Appointed 25/09/2013
Mr Ian Cowley	Appointed 25/09/2013
Ms Robyn Dasey	Appointed 25/09/2013
Ms Julie Doyle	Appointed 25/09/2013
Ms Caroline Marsh	Appointed 25/09/2013
Mrs Valerie Le Vaillant OBE	Appointed 25/09/2013
Mr Parmjit Dhanda	Appointed 25/09/2013
Ms Gina Ullman	Appointed 25/09/2013
Dame Clare Tickell	Appointed 29/01/2014
Mr Andrew Thrower	Resigned 25/09/2013

### **Company Secretary and registered office**

Michael Fuller,  
Hanover House,  
1 Bridge Close,  
Staines,  
TW18 4TB

### **Auditors**

KPMG LLP,  
Arlington Business Park,  
Theale,  
Reading,  
RG7 4SD.

## **Report of the Board of Directors**

### **For the year ended 31 March 2014**

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The Board of directors presents its report together with the audited financial statements for the year ended 31 March 2014

#### **Principal activities, business review and future developments**

The company continues to operate in the field of property development.

The company issued shares in the period to the value of £3.8m in return for costs of development.

#### **Directors**

The directors who served during the year are appointed by the Board of Hanover Housing Association.

#### **Statement as to disclosure of information to auditors**

The directors who held office at the date of approval of this Board Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the 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 auditors are aware of that information.

#### **Auditors**

In accordance with s.487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company will be proposed at the next Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



**Michael Fuller**  
**Company Secretary**

## **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 company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 for that period. In preparing the company 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 accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HANOVER HOUSING DEVELOPMENTS LIMITED**

We have audited the financial statements of Hanover Housing Developments Limited for the year ended 31 March 201 set out on pages 7 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities 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. 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 Ethical Standards for Auditors.

### **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 web-site at [www.frc.org.uk/auditscopeprivate](http://www.frc.org.uk/auditscopeprivate)

### **Opinion on 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

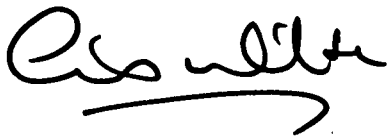
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of Hanover Housing Developments Limited**  
(continued)

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



**Chris Wilson (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

11 August 2014

**Hanover Housing Developments Limited**  
**Income and expenditure account**  
**For the year ended 31 March 2014**

	Note	2014 £'000	2013 £'000
Operating income / (costs)	2	255	(244)
Operating profit/(loss) on ordinary activities before taxation		255	(244)
Tax on profit on ordinary activities	8	-	-
<b>Profit/(Loss) for the financial year</b>	<b>10</b>	<b>255</b>	<b>(244)</b>

The results in these financial statements relate wholly to continuing activities

The company has no recognised gains or losses other than those included in the income and expenditure account above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 12 form part of these financial statements.



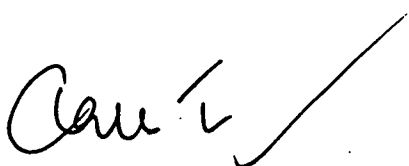
**Hanover Housing Developments Limited**  
**Balance sheet**  
**As at 31 March 2014**

	Note	2014 £'000	2013 Restated £'000
<b>Current assets</b>			
Stock and work in progress	6	30,133	30,140
Cash at bank		10	-
<b>Total current assets</b>		<b>30,143</b>	<b>30,140</b>
<b>Creditors: amounts falling due within one year</b>	7	<b>(115)</b>	<b>(4,177)</b>
<b>Net current assets</b>		<b>30,028</b>	<b>25,963</b>
<b>Total assets less current liabilities</b>		<b>30,028</b>	<b>25,963</b>
<b>Capital and reserves</b>			
Share capital	9	30,060	26,250
Reserves	10	(32)	(287)
		<b>30,028</b>	<b>25,963</b>

The balance sheet as at 31<sup>st</sup> March 2013 has been restated to disclose properties under construction and held for resale as current assets and not fixed assets of the company as had been reported in prior years.

The notes on pages 9 to 12 form part of these financial statements.

The financial statements were approved by the Board of directors on 23 July 2014 and signed on its behalf by:



**Dame Claire Tickell**  
**Director**



**Ian Cowley**  
**Director**



**Michael Fuller**  
**Company Secretary**

## Notes forming part of the financial statements

For the year ended 31 March 2014

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### 1. Accounting policies

#### **Basis of accounting**

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

On the basis of their assessment of the company's financial position and resources, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

#### **Cash flow Statement**

Under Financial Reporting Standard 1 Cash Flow Statements the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the cash flows of the company in its own published consolidated financial statements.

#### **Turnover**

Turnover represents the value of sales completed on a receivables basis, and any fees received in respect of development activity.

#### **Investments**

Investments are held at cost, less any amounts written off.

#### **Stocks for Properties for Resale**

Shared ownership first tranche sales, completed properties for outright sales and property under construction are valued at the lower of cost and net realisable value. Cost includes acquisition and development cost together with interest payable, to the extent that it accrues in respect of the period of development once on site. Net realisable value is based on estimated sales price after allowing for further costs of completion and disposal.

#### **Taxation**

The charge for taxation is based on the surplus for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

## Notes forming part of the financial statements

For the year ended 31 March 2014

### 2. Operating profit/loss

Profit/(Loss) on ordinary activities is stated after (crediting) / charging:

	2014 £'000	2013 £'000
Cessation of Joint venture	(258)	242
Auditors remuneration in capacity as auditors	3	2

The costs associated with the cessation of the joint venture were written back as a waiver of debt with the parent company undertaking.

### 3. Directors' emoluments

There were no emoluments paid by the company to the directors during the period (2013: £Nil). Emoluments received by the directors are disclosed in the financial statements of the company's ultimate parent undertaking, Hanover Housing Association.

### 4. Employees

The company had no employees during the period of these financial statements (2013: Nil).

### 5. Investment in joint venture

	2014 £'000	2013 £'000
Opening balance at 1 April	-	153
Returned investment	-	(54)
Termination of agreement	-	(99)
Closing balance at 31 March	-	-

### 6. Stock and work in progress

	2014 £'000	2013 £'000
Work in progress – trading sales	30,133	30,140

Properties developed for sale are treated as current assets and are held at the lower of cost and net realisable value until sold.

**Notes forming part of the financial statements**  
**For the year ended 31 March 2014**

**7. Creditors: amounts falling due within one year**

	2014 £'000	2013 £'000
Amounts owed to group parent	112	4,035
Accrued expenses	3	142
<b>Total creditors</b>	<b>115</b>	<b>4,177</b>

During the year a share conversion settled £3.8m of the total amount owed to the ultimate parent undertaking (see note 8).

**8. Taxation**

	2014	2013
UK Corporation tax	-	-
Deferred tax	-	-
Tax on profit from ordinary activities	-	-
Surpluses on activities before tax	255	(244)
Less non-taxable activity	(255)	244
Income subject to corporation tax at 20%	-	-
Tax charge at 20% (2013: 20%)	-	-
Corporation tax losses brought forward	17	17
Losses in year	-	-
Corporation tax losses carried forward	17	17

**9. Share capital**

	2014 £'000	2013 £'000
Authorised, issued and fully paid – 1 ordinary share of £1:		
As at 1 April 2013	26,250	-
Issued during the year	3,810	26,260
As at 31 March 2014	30,060	26,250

The increased share capital was issued to Hanover Housing Association, the ultimate parent undertaking.

## Notes forming part of the financial statements

For the year ended 31 March 2014

### 10. Reserves

	2014 £'000	2013 £'000
Brought forward	(287)	(43)
Profit/(Loss) in the year	255	(244)
Carried forward	<u>(32)</u>	<u>(287)</u>

### 11. Contingent liabilities

The Board of Directors is not aware of any contingent liabilities.

### 12. Related Party Transactions

As the company is a wholly owned subsidiary of Hanover Housing Association, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

### 13. Ultimate parent undertaking

The company's ultimate parent undertaking is Hanover Housing Association, a charitable housing association incorporated under the Industrial and Provident Societies Act 1965 and registered under the Housing and Regeneration Act 2008. The financial statements of the Association, within which the results of this company are included, can be obtained from [www.hanover.org.uk](http://www.hanover.org.uk)