

Company number 10575198

**Broadland Development Services Ltd**

Annual Report and Financial Statements

for the year ended 31 March 2022

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## **Broadland Development Services Ltd**

### **Directors and advisors for the year ended 31 March 2022**

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#### **Company Information**

**Company registration number** 10575198

**Registered office** NCFC  
South Stand  
Carrow Road  
Norwich  
NR1 1HU

**Directors** Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA  
Iain Grieve BSc FCCA CMIIA  
Andrew Savage MSc MRICS

**Secretary** Sarah Wyatt BA (Hons) MA ACG

**Bankers** NatWest Bank  
45 London Street  
Norwich  
NR1 4LX

**External Auditors** RSM UK Audit LLP  
Blenheim House  
Newmarket Road  
Bury St Edmunds  
Suffolk  
IP33 3SB

# **Broadland Development Services Ltd**

## **Report and Financial Statements for the year ended 31 March 2022**

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## **Broadland Development Services Ltd**

### **Report of the directors for the year ended 31 March 2022**

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The directors present their report and the financial statements of the company for the year ended 31 March 2022.

#### **Principal activities**

The principal activities of the company are the procurement of housing development and related services for other group companies.

#### **Business model**

The company has development framework agreements with its sister company, Broadland St Benedicts Limited, and its parent Broadland Housing Association in which the company invoices its fellow group companies for development work performed at cost plus an agreed margin.

#### **Results and dividends**

The company has continued with the development of a number of sites. There was a profit before taxation for the year amounting to £147,534 (2021 £161,635). A gift aid payment of £161,635 was made to the parent company in December 2021, being the cumulative profit to the year end 31 March 2021. The directors have not recommended a dividend but are proposing to make a further gift aid payment to the parent company of £147,534 during 2022, being the profit in the year to 31 March 2022.

#### **Directors**

The directors who served the company during the year were as follows:

Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA MAHI

Iain Grieve BSc FCCA CMIIA

Andrew Savage MSc MRICS

## **Broadland Development Services Ltd**

### **Report of the directors for the year ended 31 March 2022 (continued)**

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#### **Statement of directors' responsibilities**

The directors are responsible for preparing the report of the directors 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 laws). 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; 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 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Small companies provision**

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

**On behalf of the board**



**Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA**  
**Director**

**5 July 2022**

## **Broadland Development Services Ltd**

### **Independent auditor's report for the year ended 31 March 2022**

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#### **Opinion**

We have audited the financial statements of Broadland Development Services Ltd (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including 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 31 March 2022 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

## **Broadland Development Services Ltd**

### **Independent auditor's report for the year ended 31 March 2022 (*continued*)**

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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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 the 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 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' 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

## **Broadland Development Services Ltd**

### **Independent auditor's report for the year ended 31 March 2022 (continued)**

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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.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team::

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;



## **Broadland Development Services Ltd**

### **Independent auditor's report for the year ended 31 March 2022 (*continued*)**

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- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and confirming with management no non-standard correspondence with local tax authorities.

No significant laws and regulations were identified that would have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

#### **Use of our 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.

*RSM UK Audit LLP*

LARAGH JEANROY (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Blenheim House  
Newmarket Road  
Bury St Edmunds  
Suffolk. IP33 3SB  
29/07/22                      Date

**Broadland Development Services Ltd**

**Profit and loss account for the year ended 31 March 2022**

	Note	2022 £	2021 £
Turnover		17,080,449	18,759,662
Cost of sales		(16,341,212)	(18,036,741)
<b>Gross profit</b>		<u>739,237</u>	<u>722,921</u>
Operating costs		(585,659)	(556,759)
<b>Operating profit</b>	4	153,578	166,162
Interest and financing costs		(6,044)	(4,527)
<b>Profit before tax</b>		<u>147,534</u>	<u>161,635</u>
Tax (charge)		-	-
<b>Profit for the financial year</b>		<u>147,534</u>	<u>161,635</u>
Other comprehensive income		-	-
<b>Profit and total comprehensive income for the financial year</b>		<u><u>147,534</u></u>	<u><u>161,635</u></u>

The accompanying notes form part of these financial statements.

**Broadland Development Services Ltd**

**Balance sheet at 31 March 2022**

Company number 10575198

	Note	2022 £	2021 £
<b>Current assets</b>			
Trade and other debtors	5	1,272,365	1,406,713
Cash and cash equivalents		1,234,422	-
		<u>2,506,787</u>	<u>1,406,713</u>
<b>Creditors: amounts falling due within one year</b>	6	(2,359,252)	(1,245,077)
<b>Net current assets</b>		<u>147,535</u>	<u>161,636</u>
<b>Net assets</b>		<u>147,535</u>	<u>161,636</u>
 <b>Capital and reserves</b>			
Called-up equity share capital	7	1	1
Income and expenditure reserve		147,534	161,635
		<u>147,535</u>	<u>161,636</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 5 July 2022 and are signed on their behalf by:



**Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA**  
Director

The accompanying notes form part of these financial statements.

**Broadland Development Services Ltd**

**Statement of changes in equity for the year ended 31 March 2022**

	<b>Income and expenditure reserve £</b>
Balance at 31 March 2020	146,012
Profit for the year	161,635
Gift aid payment to parent company	(146,012)
Balance at 31 March 2021	161,635
Profit for the year	147,534
Gift aid payment to parent company	(161,635)
<b>Balance at 31 March 2022</b>	<b>147,534</b>

The accompanying notes form part of these financial statements.

## **Broadland Development Services Ltd**

### **Notes to the financial statements for the year ended 31 March 2022**

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#### **1 Legal status**

Broadland Development Service Ltd ("the company") is a private company limited by shares incorporated in England. The registered office of the company is: NCFC, South Stand, Carrow Road, Norwich. NR1 1HU.

#### **2 Accounting policies**

##### **Basis of accounting**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

##### **Going concern**

The company has generated a profit and expects development activity and profits in the coming years, based on the group's expected development plans which BDS expect to deliver in line with the intragroup framework agreements..

In light of the above, the directors believe that the company is well placed to manage its business risks despite the current uncertain economic outlook and on the basis of expected future profitability, have continued to use the going concern basis in preparing these financial statements.

##### **Turnover**

Turnover represents the amounts (excluding value added tax) derived from the contract value of work completed. The company invoices its fellow Group companies for work performed at cost plus a margin agreed to cover the overheads of the company and the operational risks it absorbs. Under the terms of the intragroup framework agreements, such invoices are based on work completed to date.

##### **Taxation**

Taxation represents the sum of the current tax expense and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## **Broadland Development Services Ltd**

### **Notes to the financial statements for the year ended 31 March 2022 (*continued*)**

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **Gift aid payment to parent undertaking**

The company pays all its taxable profits for the reporting period to its parent under the gift aid scheme. These gift aid payments are recognised as distributions to the owner in equity within retained earnings.

The company does not have a legal obligation in place at the reporting date to make the payment of its taxable profits to the parent under the gift aid scheme. Therefore, gift aid payments are only recognised in the reporting period that the payments are made. The gift aid payment for the prior reporting period was made within 9 months of the reporting date.

Tax relief is now recognised in the reporting period in which the profits arise and is also recognised in the income statement and not in equity.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### ***Basic financial assets***

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

## Broadland Development Services Ltd

### Notes to the financial statements for the year ended 31 March 2022 (*continued*)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### *Basic financial liabilities*

Basic financial liabilities, including trade or other creditors and bank loans, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

### 3 Employees

There are no direct employees of the company. Directors are remunerated for their services by the parent company.

### 4 Operating profit

	2022 £	2021 £
The operating profit is arrived at after charging:		
Auditor's remuneration (excluding VAT)	5,830	5,550

### 5 Debtors

	2022 £	2021 £
Trade debtors	-	-
VAT recoverable	23,682	18,304
Amounts due from group undertakings	1,242,051	1,381,960
Prepayments and accrued income	6,632	6,449
	<u>1,272,365</u>	<u>1,406,713</u>

### 6 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank overdraft*	-	106,118
Trade creditors	1,504,441	-
Accruals	854,811	1,138,959
	<u>2,359,252</u>	<u>1,245,077</u>

\*The overdraft is secured by way of a debenture over the assets of the entity

## Broadland Development Services Ltd

### Notes to the financial statements for the year ended 31 March 2022 (*continued*)

#### 7 Equity share capital

Allotted, called up and fully paid:

	No	2022 £	No	2021 £
Issued on incorporation: Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 8 Capital commitments

	2022 £	2021 £
Commitments contracted but not provided for: Development of new homes	31,064,456	10,512,461
Commitments approved by the Board but not contracted for: Development of new homes	-	-
	<u>31,064,456</u>	<u>10,512,461</u>

These capital commitments will be financed by stage payments from fellow group companies under the respective development framework agreements. The company has no other financial commitments, guarantees or contingencies other than those disclosed by the balance sheet and in this note.

#### 9 Parent undertaking

The parent undertaking of the company is Broadland Housing Association Limited and is the parent company of the group for which both the smallest and largest group accounts are prepared which includes the results of the Company. Broadland Housing Association's registered office is: NCFC, South Stand, Carrow Road, Norwich. NR1 1HU.