

ORBIT NEW HOMES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

 Building Brighter Futures...
for people and communities



ORBIT NEW HOMES LIMITED

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**Company Registration
Number 2875508**

ORBIT NEW HOMES LIMITED

EXECUTIVE OFFICERS AND AUDITORS

DIRECTORS

The following are all Directors of the Company and have served throughout the year unless otherwise shown:

Name		Appointed
Paul Tennant	Executive Director/Chair	
Anne Turner	Executive Director/Secretary	
Paul High	Executive Director	
Michael Marron	Non Executive Director	
Richard Reynolds	Non Executive Director	11 June 2008

EXECUTIVE OFFICERS

The Company does not directly employ any staff. The Executive Officers and staff of the parent association provide services to Orbit New Homes Limited through a Service Agreement. The Executive Officers of Orbit Group Limited, the parent association, are listed in their Financial Statements. The Directors benefit from insurance indemnifying them against legal claims from third parties.

AUDITORS

KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

REGISTERED OFFICE

Garden Court
Harry Weston Road
Binley Business Park
Coventry, West Midlands, CV3 2SU

PRINCIPAL SOLICITORS

Trowers & Hamlins
Sceptre Court
40 Tower Hill
London, EC3N 4DX

ORBIT NEW HOMES LIMITED

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Company, and the audited financial statements for the year ended 31 March 2009.

Principal Activities

The principal activities of the Company comprise the development of homes for sale within the UK.

Review of Developments and Future Prospects

Business Review

The Company has worked in partnership with English Partnerships and another private developer, Leach Homes Limited, to create a mixture of private and affordable homes in the Westcroft area of Milton Keynes. The Company acted as the lead developer on three mixed tenure sites creating a total of 172 homes. All homes were completed and sold prior to this year.

In the 12 months to 31 March 2009, the Company made a profit before tax of £54k (2008: £20K). Overheads are included within cost of sales. The development project has now been completed in respect of house building and provision has been made for any known potential future losses. The principal risks and uncertainties facing the company are the agreement of final contract costs and any defects work. The Company may be used for further developments projects in the future. The Company's reserves at the year end totalled £73k, (2008: £20k).

Treasury Policy

The Board recognises that its high degree of debt makes it important to consider its treasury policy. The treasury function operates within a framework of clearly defined Group Board approved policies, procedures and delegated authorities. The fundamental principle underlying the Company's approach is to treat treasury activities as a means of controlling risk rather than for profit generation. For Orbit New Homes Limited this involves minimising loans drawn, cash held at bank and investing surplus cash in short-term cash deposits.

ORBIT NEW HOMES LIMITED

DIRECTORS' REPORT

Results and Dividends

The profit for the year was £53k (2008:£18k). The Directors do not recommend payment of a Dividend.

Directors and their Shareholdings

The Directors who served during the year are shown on page 2. The Company is a wholly owned subsidiary of Orbit Group Limited. None of the Directors held any interest in the shares of the Company.

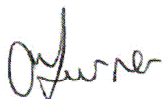
Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' 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 he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to re-appoint KPMG LLP as the Company's auditor for external audit services will be proposed at the Annual General Meeting.

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



Anne Turner
Company Secretary

ORBIT NEW HOMES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' responsibilities

United Kingdom Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. In preparing those 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 accounting standards have been followed; 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 proper accounting records which 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 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORBIT NEW HOMES LIMITED

We have audited the financial statements of Orbit New Homes Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

19/08/09

KPMG LLP - Chartered Accountants, Birmingham

ORBIT NEW HOMES LIMITED

PROFIT AND LOSS ACCOUNT For the Year Ended 31 March 2009

	2009 £'000	2008 £'000
Turnover	-	-
Cost of Sales	<u>(46)</u>	<u>(136)</u>
Loss on Ordinary Activities before donation and taxation	(46)	(136)
Donation	100	150
Interest Receivable	<u>-</u>	<u>6</u>
Profit on Ordinary Activities before taxation	54	20
Taxation	<u>(1)</u>	<u>(2)</u>
Profit for the Financial Year	53	18
Revenue Reserves at 1 April	<u>20</u>	<u>2</u>
Revenue Reserves at 31 March	<u><u>73</u></u>	<u><u>20</u></u>

All activities derive from continuing operations. There are no recognised gains and losses. Accordingly, no statement of total recognised gains and losses is given.

ORBIT NEW HOMES LIMITED

BALANCE SHEET

At 31 March 2009

	NOTES	2009		2008	
		£'000	£'000	£'000	£'000
Current Assets					
Debtors	5	259		195	
Cash at Bank and in Hand		66		71	
		<u>325</u>		<u>266</u>	
Creditors: Amounts falling due within one year	6	<u>(252)</u>		<u>(246)</u>	
NET CURRENT ASSETS			73		20
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>73</u>		<u>20</u>
NET ASSETS			<u>73</u>		<u>20</u>
Capital and Reserves					
Called up Share Capital	7		-		-
Profit and Loss Reserve	13		73		20
			<u>73</u>		<u>20</u>

The financial statements were approved by the Board of Directors on and signed on its behalf by:



.....
PAUL TENNANT - CHAIR

ORBIT NEW HOMES LIMITED

CASH FLOW STATEMENT

For the Year Ended 31 March 2009

	2009	2008
	£'000	£'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES (Note 10)	(104)	(157)
Returns on investments and servicing of Finance	-	6
Taxation	(1)	(2)
Donation	100	150
	<u>100</u>	<u>150</u>
DECREASE IN CASH (Note 12)	<u>(5)</u>	<u>(3)</u>

ORBIT NEW HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2009

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Basis of Accounting

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

Stock and Work in Progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes land, build costs, applicable overheads and interest. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate. Interest on borrowings incurred during the development period is capitalised.

Taxation

Current tax, including UK Corporation Tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

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 taxes and law. Timing differences arise from inclusion of items of income and expenditure in tax computations 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 they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents amounts receivable for the sale of land and properties, net of VAT and other sales related taxes. All turnover arises in the UK only.

Going Concern

The financial statements are prepared on a going concern basis.

2 DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

The Executive Directors are employed by Orbit Group Limited.

3 NOTES TO THE PROFIT AND LOSS ACCOUNT

	2009 £'000	2008 £'000
Auditors' remuneration:		
Audit	4	3
Other Services	-	-
	<u>4</u>	<u>3</u>

ORBIT NEW HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2009

4 TAXATION

The current tax charge for the year is lower than the standard rate of Corporation Tax in the UK of 30%. The differences are explained below:

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	<u>54</u>	<u>20</u>
Tax due at 28% thereon	15	6
Losses Brought Forward	(15)	(6)
Under provision of Corporation Tax in prior year	<u>1</u>	<u>2</u>
Current tax charge for year	<u>1</u>	<u>2</u>

Potential deferred tax assets not recognised in the accounts amounted to £60k (2008: £75k).

5 DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Other Debtors	9	30
Amount due from Group Undertakings	<u>250</u>	<u>165</u>
	<u>259</u>	<u>195</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Trade Creditors	246	244
Accruals and Deferred Income	<u>6</u>	<u>2</u>
	<u>252</u>	<u>246</u>

7 CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised ordinary shares of £1 each	<u>2</u>	<u>2</u>
Issued and fully paid ordinary shares of £1 each	<u>2</u>	<u>2</u>

For presentational purposes this note has been shown in £s. The Company is a wholly owned subsidiary of Orbit Group Limited.

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NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2009

8 CAPITAL COMMITMENTS

	2009 £'000	2008 £'000
Capital Expenditure which has been contracted for but has not been provided for in the financial statements	-	-
Capital Expenditure which has been authorised under authority from the Board of Directors but has yet to be contracted for at 31 March 2009	-	-

9 CONTINGENT LIABILITIES

Contingent liabilities as at 31 March 2009 totalled £62k in respect of contract payments currently under dispute and potential defect rectification works needed to complete the development (2008: £62k)

10 RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2009 £'000	2008 £'000
Operating Loss	(46)	(136)
Increase in Debtors	(64)	(23)
Increase in Creditors	6	2
Net Cash Outflow from Operating Activities	(104)	(157)

11 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009 £'000	2008 £'000
Decrease in Cash in the Year	(5)	(3)
Cash Outflow from Reduction in Debt	-	-
Movement in Net Funds in the Year	(5)	(3)
Net Debt at 1 April	71	74
Net Debt at 31 March	66	71

12 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2008 £'000	Cash Flows £'000	31 March 2009 £'000
Cash at Bank and in Hand	71	(5)	66

ORBIT NEW HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2009

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £'000	2008 £'000
Profit for the Financial Year	53	18
Opening Shareholders' Funds	<u>20</u>	<u>2</u>
Closing Shareholders' Funds	<u>73</u>	<u>20</u>

14 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The ultimate parent company and ultimate controlling party is Orbit Group Limited. Copies of the financial statements are published on the Orbit Group website www.orbit.org.uk and are also available from Garden Court, Harry Weston Road, Binley Business Park, Coventry, CV3 2SU.

15 RELATED PARTY TRANSACTIONS

The Company is taking advantage of the exemption per FRS8 available to wholly owned subsidiaries from disclosing transactions with other Orbit Group companies.