

**ORBIT NEW HOMES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2010**



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**

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### **DIRECTORS**

The following are all Directors of the Company and have all served throughout the year.

#### **Name**

Paul Tennant	Executive Director/Chair
Anne Turner	Executive Director/Secretary
Paul High	Executive Director
Michael Marron	Non Executive Director
Richard Reynolds	Non Executive Director

### **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  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

### **REGISTERED OFFICE**

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

### **PRINCIPAL SOLICITORS**

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

# ORBIT NEW HOMES LIMITED

## DIRECTOR'S REPORT

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The Directors present their annual report on the affairs of the Company, and the audited financial statements for the year ended 31 March 2010.

### Principal Activities

The principal activity of the Company comprises 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 2010, the Company made a loss before tax of £39k (2009: £54k). 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 £34k, (2009: £73k).

#### 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.

### Results and Dividends

The loss for the year was £39k (2009: £53k). 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  
5 August 2010

## **ORBIT NEW HOMES LIMITED**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

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#### **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 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.

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

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We have audited the financial statements of Orbit New Homes Limited for the year ended 31 March 2010 set out on pages 6 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 auditors' 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

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. Our responsibility is to audit 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.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### 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 2010 and of its loss 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.

### 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.



22 September 2010

**M A McDonagh**  
**Senior Statutory Auditor**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham, B4 6GH

**ORBIT NEW HOMES LIMITED****PROFIT AND LOSS ACCOUNT**  
**For the Year Ended 31 March 2010**

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	NOTES	2010 £'000	2009 £'000
<b>Turnover</b>		-	-
Cost of Sales		<u>(39)</u>	<u>(46)</u>
<b>Operating Loss</b>	3	(39)	(46)
Donation		-	100
		<u>          </u>	<u>          </u>
<b>(Loss)/Profit on Ordinary Activities before taxation</b>		(39)	54
Taxation	4	<u>-</u>	<u>(1)</u>
<b>Loss for the Financial Year</b>		(39)	53
Revenue Reserves at 1 April		73	20
		<u>          </u>	<u>          </u>
<b>Revenue Reserves at 31 March</b>	13	<b><u>34</u></b>	<b><u>73</u></b>

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

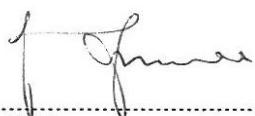
# ORBIT NEW HOMES LIMITED

## BALANCE SHEET

At 31 March 2010

	NOTES	2010		2009	
		£'000	£'000	£'000	£'000
<b>Current Assets</b>					
Debtors	5	131		259	
Cash at Bank and in Hand		15		66	
		<u>146</u>		<u>325</u>	
<b>Creditors: Amounts falling due within one year</b>	6	<u>(112)</u>		<u>(252)</u>	
<b>NET CURRENT ASSETS</b>			34		73
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>34</u>		<u>73</u>
<b>NET ASSETS</b>			<u>34</u>		<u>73</u>
<b>Capital and Reserves</b>					
Called up Share Capital	7		-		-
Profit and Loss Reserve	13		34		73
			<u>34</u>		<u>73</u>

The financial statements were approved by the Board of Directors on 5 August 2010 and signed on its behalf by:



PAUL TENNANT  
CHAIR

Company Registration  
Number 2875508



**ORBIT NEW HOMES LIMITED**

**CASH FLOW STATEMENT**

**For the Year Ended 31 March 2010**

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	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES (Note 10)</b>	(51)	(104)
Taxation	-	(1)
Donation	-	100
	<hr/>	<hr/>
<b>DECREASE IN CASH (Note 12)</b>	<b>(51)</b>	<b>(5)</b>

# ORBIT NEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2010

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### 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 are prepared in accordance with the historical cost convention.

The Directors have prepared trading and cash flow forecasts for the Company. These forecasts show that the Company has sufficient financial resources to meet its obligations as they fall due from the date that these financial statements were approved.

#### **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.

#### **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.

#### **Going Concern**

The financial statements are prepared on a going concern basis.

Accordingly, after considering the forecast, appropriate sensitivities, current trading and available facilities, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have concluded that the going concern basis of preparation is appropriate to enable the company to continue trading for at least one year from the date of signing these financial statements.

### 2 DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

The Executive Directors are employed by Orbit Group Limited.

### 3 OPERATING LOSS

	2010	2009
	£'000	£'000

**Operating Loss is stated after charging**

#### **Auditors' remuneration:**

- In their Capacity as Auditors	2	4
- In Respect of Other Services	-	-

## ORBIT NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2010

#### 4 TAXATION

The current tax charge for the year is lower than the standard rate of Corporation Tax in the UK of 28%. The differences are explained below:

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Profit on ordinary activities before tax	<u>(39)</u>	<u>54</u>
Tax due at 28% thereon	(11)	15
Losses Brought Forward	-	(15)
Losses Carried Forward	11	-
Under provision of Corporation Tax in prior year	-	1
	<hr/>	<hr/>
Current tax charge for year	<u>-</u>	<u>1</u>

#### 5 DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Amount due from Group Undertakings	131	250
Other Debtors	<u>-</u>	<u>9</u>
	<u>131</u>	<u>259</u>

#### 6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Trade Creditors	109	246
Accruals and Deferred Income	<u>3</u>	<u>6</u>
	<u>112</u>	<u>252</u>

#### 7 CALLED UP SHARE CAPITAL

	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
<b>Authorised ordinary shares of £1 each</b>	<u><b>2</b></u>	<u><b>2</b></u>
<b>Issued and fully paid ordinary shares of £1 each</b>	<u><b>2</b></u>	<u><b>2</b></u>

The Company is a wholly owned subsidiary of Orbit Group Limited.

## ORBIT NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2010

#### 8 CAPITAL COMMITMENTS

	2010 £'000	2009 £'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 2010	-	-

#### 9 CONTINGENT LIABILITIES

Contingent liabilities as at 31 March 2010 totalled £nil in respect of contract payments currently under dispute and potential defect rectification works needed to complete the development (2009: £62k)

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

	2010 £'000	2009 £'000
Operating Loss	(39)	(46)
Decrease/(Increase) in Debtors	128	(64)
(Decrease)/Increase in Creditors	(140)	6
<b>Net Cash Outflow from Operating Activities</b>	<b>(51)</b>	<b>(104)</b>

#### 11 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010 £'000	2009 £'000
Decrease in Cash in the Year	(51)	(5)
Cash Outflow from Reduction in Debt	-	-
Movement in Net Funds in the Year	(51)	(5)
Net Debt at 1 April	66	71
<b>Net Debt at 31 March</b>	<b>15</b>	<b>66</b>

#### 12 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2009 £'000	Cash Flows £'000	31 March 2010 £'000
Cash at Bank and in Hand	66	(51)	15

## ORBIT NEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2010

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#### 13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
(Loss)/Profit for the Financial Year	(39)	53
Opening Shareholders' Funds	<u>73</u>	<u>20</u>
<b>Closing Shareholders' Funds</b>	<b><u>34</u></b>	<b><u>73</u></b>

#### 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](http://www.orbit.org.uk) and are also available from Garden Court, Harry Weston Road, Binley Business Park, Coventry, CV3 2SU.

#### 15 RELATED PARTY TRANSACTIONS

As permitted by paragraph 3(c) FRS8 (Related Party Disclosures), the company has taken advantage of the exemption for wholly owned subsidiaries not to disclose related party transactions with group entities. There were no other related party transactions disclosable under FRS8.