

Orbit Homes (2020) Limited

FINANCIAL STATEMENTS

For The Year Ended 31 March 2015

Company Registration Number 06950748

Orbit Homes (2020) Limited

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Orbit Homes (2020) Limited

Executive Officers and Auditors

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Name		Appointed
Christopher Crook	Non Executive Director/Chair	06/12/2011
Anthony Crook	Non Executive Director/	06/04/2011
Devendra Ghandi	Non Executive Director	14/10/2009
Richard Berrett	Non Executive Director	10/07/2013
Neil Topping	Non Executive Director	14/10/2009
Helen Devy	Non Executive Director	01/02/2013
Richard Wright	Company Secretary	02/07/2009

Executive Officers

The Company had no employees during the year other than Directors (2014: Nil). The Executive Officers and staff of the parent association provide services to Orbit Homes (2020) Limited through a Service Agreement. The Executive Officers of Orbit Group Limited, the parent association, are listed in its financial statements.

	Independent Auditors	Principal Solicitors
Address	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT	Trowers and Hamblins 3 Bunhill Row London EC1Y 8YZ

	Registered Office
Address	Garden Court Harry Weston Road Binley Business Park Binley Coventry West Midlands CV3 2SU

Orbit Homes (2020) Limited

Strategic Report

The Directors present their Strategic Report on Orbit Homes (2020) Limited for the year ended 31 March 2015.

Review of the Business

The principal activities of the Company comprise the provision of a design and build service to Orbit Group Limited and its subsidiary companies ("Orbit") and development of homes for sale within the UK. The Company operates as the house building company of Orbit, building a range of tenures for different markets.

The Company's annual business plan is aligned with that of Orbit and the objectives are aligned under three key outcomes:

- Housing choice
- Customer offer, and
- Community investment

The performance of Orbit Homes is managed against objectives related to these outcomes and in 2014/15 the Company has continued to achieve growth and success in delivering against those objectives.

Affordable Development

From 1 April 2010, the Company took over the development of all homes within Orbit. Staff providing these services are employed by Orbit Group Limited, and services are supplied under a service level agreement. During 2011/12 our offer was accepted for the Homes and Communities Agency (HCA) 2011/15 development programme. We monitor our performance against our contract with the HCA closely, and at the end of the year we had completed 1,373 affordable homes during the year for other members of Orbit, and had exceeded all of our targets for our HCA programme for 2014/15.

Affordable development delivery has grown by 82% this year with provision of the 11/15 HCA programme. The Company will carry on in 2015/16 with the 15/18 HCA programme and continue to grow Affordable development in pursuit of the Orbit Group 2020 Vision of delivery of 12,000 homes to Britain.

Market Sale Development

In the 2011/12 financial year the Company also started to build homes for sale. A total of 131 market sales (148 built) were completed during 2014/15 from a total of six sites. This represents an increase of 24% in unit terms. We expect this to grow again in 2015/16 to a budgeted 215 units. Margin and therefore return to Orbit has also grown providing the Group with increased cash to invest in the wider business demonstrating the 'Profit for a Purpose' message publicised by the Group.

This year has been about consolidating performance and building the resource base for continued growth in market sales. Land and plots have been identified for the next five years as growth in unit and monetary sales continue.

At the end of the year, the company had capital and reserves of £1.6m (2014:£1.6m) and long term liabilities of £74.7m (2014:£38.1m), represented by fixed assets of £0.2m (2014:£0.2m) and net current assets of £76.1m (2014:£39.5m).

Risks and Uncertainties

As a house building company selling homes outright in the open market and on a shared ownership basis, we are exposed to the market conditions that prevail in the wider housing market. The Board meet monthly to review progress in respect of sales and to agree future build releases in order to manage that risk effectively. We are also using several different mortgage products and funding arrangements, and are actively exploring new products for the future.

Funding for the Company is currently provided by means of a combination of investment and two loan facilities from Orbit Group Limited, the parent company, with additional Get Britain Building funding provided by the HCA, and development finance from RBS of up to £30m. Our ambitions to expand our turnover will require additional funding in order to achieve the desired level of growth in the short to medium term, and we are currently exploring different options that will enable us to achieve this. During the year we made our first drawdowns against the £30m of development finance from RBS to support the market sale programme.

Orbit Homes (2020) Limited

Strategic Report

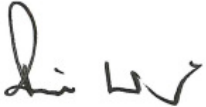
Treasury Policy

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 Orbit 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 Homes (2020) Limited this involves minimising loans drawn, cash held at bank and investing surplus cash in short term cash deposits.

Key Performance indicators (KPIs)

The Managing Director of Orbit Homes (2020) Limited sits on the Executive Team of Orbit Group and the performance of Orbit Homes is closely scrutinised by Orbit Group therefore the Company's directors believe that analysis using KPI's for the Company are not necessary or appropriate for an understanding of the development, performance or position of Orbit Homes (2020) Limited. KPI's are included in the Operating & Financial Review Statement in the group's annual report.

Approved by the Board of Directors and signed by order of the Board:

A handwritten signature in black ink, appearing to read 'Richard Wright', is written over a faint, illegible stamp.

Richard Wright
Company Secretary

24 July 2015

Orbit Homes (2020) 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 2015.

Future Prospects

Our ambitions for 2015/16 will be to help Orbit Group to achieve its 2020 Vision through our Housing, Customer and Community Offers, providing a wide range of homes to meet need and aspiration. We will grow our turnover from market sales and seek new business in other related fields.

Results and Dividends

The profit for the financial year before tax was £4,120k (2014: £4,172k). In arriving at this profit there has been a deduction constituting the payment of a dividend of £1,361k (2014: £668k) on the redeemable preference share capital. The Directors do not recommend payment of a dividend on the ordinary share capital (2014: £Nil).

Charitable Donations

The financial statements include a provision for Gift Aid donations totalling £4,111k (2014: £3,442k) payable to the parent company, Orbit Group Limited. In addition, the Company made charitable donations totalling £5k (2014: £5k) to support charitable organisations outside of the Orbit Group, all of which were made to local good causes in areas where we are actively developing.

Financial Risk Management

The Company's operations expose it to a variety of financial risks that include the effects of liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of required finance and the related finance costs.

- **Liquidity Risk**
The Company closely monitors its future requirements for loan funding to ensure that sufficient funds will be available to cover the development of new homes for sale and the commitment to purchase of land to facilitate future development programmes.
- **Interest Rate Risk**
The funding provided by the parent company, Orbit Group Limited, bears interest at rates linked to LIBOR. Exposure to the effects of movements in interest rates are regularly monitored, and future interest rate assumptions are reflected in the appraisal of future development schemes.

Directors

The Directors who served during the year are shown on page 1. The Company is a wholly owned subsidiary of Orbit Group Limited. The Directors benefit from a qualifying third party indemnity provision indemnifying them against legal claims from third parties that has been in place throughout the financial year and up to and including the date that the financial statements are signed.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 prepared 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;

Orbit Homes (2020) Limited

Directors' Report

- 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; 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- (1) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditors

A resolution to appoint the Company's auditors for external audit services will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed by order of the Board:


Richard Wright
Company Secretary

24 July 2015

Orbit Homes (2020) Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORBIT HOMES (2020) LIMITED FOR THE YEAR ENDED 31 MARCH 2015

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit and cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Orbit Homes (2020) Limited, comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended;
- the cash flow statement for the year then ended;
- the reconciliation of movements in shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Orbit Homes (2020) Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORBIT HOMES (2020) LIMITED FOR THE YEAR ENDED 31 MARCH 2015

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4-5, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Richard Bacon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date: 27 July 2015

- (a) The maintenance and integrity of the Orbit Group Limited website on which Orbit Homes (2020) Limited's financial statements may be disclosed is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Orbit Homes (2020) Limited

Profit and Loss Account

For the Year Ended 31 March 2015

		2015 £000	2014 £000
Turnover	3	164,141	108,719
Cost of sales		(158,475)	(102,724)
Gross profit		5,666	5,995
Administrative Expenses		(1,390)	(1,049)
Operating Profit	4	4,276	4,946
Interest Receivable and Similar Income		7	8
Interest Payable and Similar Charges	5	(163)	(782)
Profit on Ordinary Activities before Taxation		4,120	4,172
Tax on Profit on Ordinary Activities	6	26	(304)
Profit for the Financial Year		4,146	3,868

All activities derive from continuing operations. The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical costs equivalents.

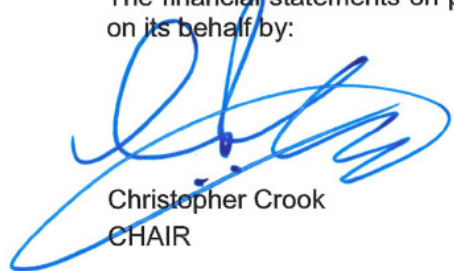
Orbit Homes (2020) Limited

Balance Sheet

As at 31 March 2015

	Note	2015 £000	2014 £000
FIXED ASSETS			
Tangible Assets	7	164	156
Current Assets			
Stocks	8	75,612	48,872
Debtors	9	27,025	17,858
Cash at Bank and in Hand		1,209	707
		103,846	67,437
Creditors: Amounts falling due within one year	10	(27,703)	(27,971)
NET CURRENT ASSETS		76,143	39,466
TOTAL ASSETS LESS CURRENT LIABILITIES		76,307	39,622
Creditors: Amounts falling due after more than one year	11	(74,700)	(38,050)
NET ASSETS		1,607	1,572
Capital and Reserves			
Called up share capital	13	-	-
Profit and Loss account		1,607	1,572
TOTAL SHAREHOLDERS' FUNDS	18	1,607	1,572

The financial statements on pages 8 to 17 were approved by the Board of Directors on 24 July 2015 and signed on its behalf by:



Christopher Crook
CHAIR

24 July 2015

Orbit Homes (2020) Limited

Cash Flow Statement

For the Year Ended 31 March 2015

	Note	2015 £000	2014 £000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	15	(28,703)	(5,727)
Returns on Investments and Servicing of Finance			
Interest Received		7	8
Interest Paid		(2,581)	(2,066)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(2,574)	(2,058)
Taxation		(460)	(223)
Capital Expenditure and Financial Investment			
Purchase of Other Fixed Assets		(66)	(143)
Share capital issued in the year		12,000	12,000
NET CASH/(OUTFLOW)/INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(19,803)	3,849
Management of Liquid Resources and Financing			
Loans Received/(Paid)		20,305	(4,825)
NET CASH INFLOW/(OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES AND FINANCING		20,305	(4,825)
INCREASE/(DECREASE) IN CASH	16	502	(976)

Orbit Homes (2020) Limited

Notes to the Financial Statements

For the Year Ended 31 March 2015

1. Accounting Policies

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

Tangible Fixed Assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes land, build costs, applicable overheads and interest. Depreciation is charged to write off the cost of the tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis.

Leasehold improvements	15%
Furniture, Fixtures and Equipment	15% - 25%

Stocks and Work In Progress

Stocks 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.

Redeemable Preference Shares

Preference shares, which are redeemable on a specific date or at the option of the shareholder or which carry non-discretionary dividend obligations, are classified as borrowings.

Turnover

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

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the services provided net of Value Added Tax and customer discounts and incentives.

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.

Gift Aid

In line with recent changes to charitable reporting guidelines, Gift Aid is now presented as a distribution of reserves rather than being shown in the Profit and Loss account.

Liquid resources

Liquid Resources comprise loans from Group Undertakings and from the Homes and Communities Agency.

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 Orbit Homes (2020) Limited 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.

Orbit Homes (2020) Limited

Notes to the Financial Statements

For the Year Ended 31 March 2015

2. Directors' and Executive Officers' Emoluments

	2015 £000	2014 £000
Aggregate emoluments paid to or received by Directors who are not executive staff members including salaries, honoraria and other benefits	15	15
Aggregate emoluments paid to or received by Directors who are executive staff members including salaries, honoraria and other benefits **	63	33

** The Executive Directors are employed and paid by the parent company, Orbit Group Limited.

3. Turnover

	2015 £000	2014 £000
Sale of new homes	27,259	24,207
Sale of part exchange homes	524	1,079
Help to Buy income	2,475	2,935
Design and Build fees	133,723	80,289
Other	160	209
Total	164,141	108,719

4. Operating Profit

	2015 £000	2014 £000
Operating Profit is stated after charging		
Fixed Assets:		
- Depreciation – Owned Assets	58	47
Auditors' Remuneration:		
- In their Capacity as Auditors	16	12
Other Auditors' Remuneration:		
- In their Capacity as Auditors	7	8

Orbit Homes (2020) Limited

Notes to the Financial Statements

For the Year Ended 31 March 2015

5. Interest Payable and Similar Charges

	2015 £000	2014 £000
On Bank Loans, Overdrafts and Other Loans		
Repayable, other than by instalments, within 5 years	591	191
On Loans from Group Undertakings		
Redeemable preference shares	1,361	668
Repayable, other than by instalments, within 5 years	724	1,175
	2,676	2,034
Interest charged to Work in Progress	(2,513)	(1,252)
	163	782

The average interest rate for the year of 5.68% (2014: 3.90%) was used for the purpose of calculating interest charged to work in progress.

6. Tax on Profit on Ordinary Activities

	2015 £000	2014 £000
(a) Analysis of charge in year:		
Current tax:		
UK Corporation Tax on profits of the year	-	329
Adjustments in respect of prior years	(26)	(25)
Total Current Tax	(26)	304

There is no deferred tax for the year, either recognised or unrecognised (2014: £Nil).

The current tax charge for the year is lower (2014: lower) than the standard rate of Corporation Tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £000	2014 £000
(b) Factors affecting tax charge for current year:		
Profit on ordinary activities before tax	4,120	4,172
Tax due at 21% (2014: 23%) thereon	865	960
Accelerated capital allowances and other differences	(865)	(631)
Adjustments in respect of prior years	(26)	(25)
Current Tax Charge for the Year	(26)	304

(c) Factors that may affect future tax charges:

Reductions to the UK corporation tax rate were announced in the March 2013 Budget. The changes reduce the rate by 2% per annum to 21% from 1 April 2014 and by a further 1% to 20% from 1 April 2015. The changes were substantively enacted on 2 July 2013. Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

Orbit Homes (2020) Limited

Notes to the Financial Statements

For the Year Ended 31 March 2015

7. Tangible Assets

	Leasehold improvements £000	Furniture, Fixtures and Equipment £000	Total £000
Cost			
At 1 April 2014	22	217	239
Additions	11	55	66
At 31 March 2015	33	272	305
Less: Accumulated Depreciation			
At 1 April 2014	5	78	83
Charge for Year	2	56	58
At 31 March 2015	7	134	141
NET BOOK AMOUNT			
At 31 March 2015	26	138	164
At 31 March 2014	17	139	156

8. Stocks

	2015 £000	2014 £000
Work in Progress	75,612	48,872

Included within the work in progress is capitalised interest of £3,865k (2014: £1,727k)

9. Debtors

	2015 £000	2014 £000
Amounts owed by Group Undertakings	22,498	15,678
Other Debtors	4,527	2,180
	27,025	17,858

Orbit Homes (2020) Limited

Notes to the Financial Statements

For the Year Ended 31 March 2015

10. Creditors: Amounts Falling Due Within One Year

	2015	2014
	£000	£000
Loans from Homes & Communities Agency	2,637	6,982
Trade Creditors	17,614	14,416
Amounts owed to Group Undertakings	6,481	5,736
Taxation and Social Security	-	304
Accruals and Deferred Income	971	533
	27,703	27,971

11. Creditors: Amounts falling due after more than one year

	2015	2014
	£000	£000
Bank Loans and overdrafts	3,500	-
Loans from group companies	37,200	16,050
Redeemable Preference Shares	34,000	22,000
	74,700	38,050

12. Loans and Other Borrowings

	2015	2014
	£000	£000
Loans from Group Undertakings	37,200	16,050
Other Loans	6,137	6,982
Redeemable Preference Shares	34,000	22,000
	77,337	45,032

Maturity of Financial Liabilities

	2015	2014
	£000	£000
In one year or less, or on demand	2,637	6,982
In more than one year, but not more than two years	71,200	38,050
In more than two years, but not more than five years	3,500	-
	77,337	45,032

During the year, the loan facilities from the parent company, Orbit Group Limited, were extended. There is no fixed repayment date, but the agreement includes an option for a 12-month notice period that has not been called at the date of signature of the financial statements. The loans from Orbit Group Limited are secured by a floating charge over the assets of the company.

During the year Orbit Homes issued 12m (2014: 12m) redeemable preference shares at £1 each. Orbit Group Limited are the holder of these fully paid shares. The redeemable preference shareholders are entitled to a fixed dividend of 5% per annum (or pro rata for a period of less than a year). The shareholders have the right, by giving not less than 12 months written notice to Orbit Homes, to redeem for cash at par.

Orbit Homes (2020) Limited

Notes to the Financial Statements

For the Year Ended 31 March 2015

12. Loans and Other Borrowings (continued)

The company entered into a £30m development finance facility with the Royal Bank of Scotland plc in May 2014. During the year drawdowns have been made against various development schemes. Each drawdown is secured by a fixed charge over the market sales assets of the scheme.

13. Called up Share Capital

	No.	2015 £	No.	2014 £
Authorised ordinary shares of £1 each	100	100	100	100
Issued and Fully Paid Shares of £1 each	1	1	1	1

14. Capital Commitments

	2015 £000	2014 £000
Capital Expenditure which has been contracted for but has not been provided for in the financial statements	302,866	189,218
Capital Expenditure which has been authorised under authority from the Orbit Board but has yet to be contracted for	509,298	205,429

Capital commitments comprise contracts for the purchase of land and buildings and under design and build contracts with third party suppliers.

15. Reconciliation of operating profit to net cash outflow from operating activities

	2015 £000	2014 £000
Operating Profit	4,276	4,946
Depreciation charge	58	47
Increase in Stock	(24,227)	(11,295)
Increase in Debtors	(8,984)	(3,366)
Increase in Creditors	174	3,941
Net cash outflow from operating activities	(28,703)	(5,727)

Orbit Homes (2020) Limited

Notes to the Financial Statements

For the Year Ended 31 March 2015

16. Reconciliation of net cash flow to movement in net debt

	2015	2014
	£000	£000
Increase/(Decrease) in cash in the year	502	(976)
Cash(outflow)/inflow from (decrease)/increase in debt	(20,305)	4,825
Movement in net funds in the year	(19,803)	3,849
Net Debt at 1 April	(22,325)	(26,174)
Net Debt at 31 March	(42,128)	(22,325)

17. Analysis of changes in in net debt

	01 April 2014 £000	Cash Flows £000	31 March 2015 £000
Cash at bank and in hand	707	502	1,209
Loans due within one year	(6,982)	4,345	(2,637)
Loans due in greater than one year	(16,050)	(24,650)	(40,700)
	(22,325)	(19,803)	(42,128)

18. Reconciliation of Movements in Shareholders' Funds

	2015	2014
	£000	£000
Opening Shareholder's Funds	1,572	1,146
Profit for the Financial Year	4,146	3,868
Gift Aid donations	(4,111)	(3,442)
Closing Shareholders' Funds	1,607	1,572

19. Ultimate Parent Entity and Ultimate Controlling Party

The immediate parent undertaking and ultimate parent entity and controlling entity is Orbit Group Limited, a Co-operative and Community Benefit Society registered in England and Wales.

Orbit Group Limited is the parent undertaking of the only group of undertakings to consolidate these financial statements at 31 March 2015. The consolidated financial statements of Orbit Group Limited are published on the Orbit website www.orbit.org.uk and are also available from Garden Court, Harry Weston Road, Binley Business Park, Binley, Coventry, CV3 2SU.

20. Related Party Transactions

Orbit Homes (2020) Limited is a wholly owned subsidiary of Orbit Group Limited. 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