

# Report to Audit Committee

29 June 2022

By the Directors of the Housing Companies'



Not Exempt

## Subsidiary Housing Company Accounts

### Executive summary

In March 2019, Cabinet approved the creation of two companies for the purposes of providing affordable rental housing in the District. Horsham District Homes Ltd (HDH), the development company, and Horsham District Homes (Holdings) Ltd (HDHH) were both incorporated in 2019.

Company law requires the directors of the companies to prepare financial statements for each financial period.

The Council is not required to prepare consolidated group accounts for 2021/22 as the value of the transactions in the companies' accounts are considered immaterial. However, the accounts for the companies have been audited by an independent auditor and will be approved and signed by the boards at the companies' board meeting on 15 June 2022.

The audited annual report and financial statements for both companies are included within this report.

### Recommendations

That the Committee is recommended to note:

- i) the statement of accounts for the subsidiary companies.
- ii) the update from the subsidiary companies provided within this report.

### Reasons for recommendations

- i) Clause 8.1.2 of the shareholders agreement says the Company shall provide to the Council the annual accounts as soon as practicable.
- ii) In preparation for these accounts being material and potentially being consolidated with the Councils statement of accounts in 2022/23.

**Background papers:** None

**Wards affected:** All

**Contact:** Samantha Wilson, Company Director, 01403 215309

## **Background Information**

### **1 Introduction and background**

- 1.1 The Council incorporated two housing subsidiary companies in 2019. Company law requires the directors of the companies to prepare financial statements for each financial period. This report provides background information to the financial statements.
- 1.2 The Council is not required to prepare group accounts for 2021/22 as the value of the transactions within the companies is considered immaterial. The accounts for the companies have been audited, by an independent auditor, and will be approved and signed by the companies' boards of directors at the June board meetings.

### **2 Relevant Council policy**

- 2.1 The 2019 to 2023 Corporate Plan sets out the Council's strategic objectives and includes creating great places for people to live and work and creating a strong safe and healthy community. Paragraph 3.2.2 of the corporate plan states the objective of using the Council's affordable housing company to build affordable homes in areas of high demand.

### **3 Details**

#### **3.1 Horsham District Homes Limited (HDH)**

The accounts for the year ended 31 March 2022 are included within this report. During the year, the development of three homes in Roman Way, Billingshurst started. The company continues to explore opportunities in Horsham Town for its next development. General operational running costs were incurred during in the year, resulting in the reported loss for the year.

#### **3.2 Horsham District Homes (Holdings) Limited (HDHH)**

The accounts for the period ending 31 March 2022 are included within this report. The company received s106 housing and enabling contributions from the Council to purchase five homes in Slinfold, one 2-bedroom house and four 1-bedroom flats. These properties all completed in the year and are reported as stock. The income from these properties have contributed to the net profit for the year.

- 3.3 The accounts for both companies have been prepared on a going concern basis due to anticipated losses in the early years being supported by the Council, which will continue until the companies return a profit, which is currently forecast towards the end of the Council's medium term financial strategy.

### **4 Next steps**

- 4.1 The Council will continue to review the materiality of the transactions for the purposes of group accounts.

## **5 Outcome of consultations**

No consultations were required.

## **6 Other courses of action considered but rejected**

6.1 None

## **7 Resource consequences**

7.1 There are no direct Council resource consequences arising from this report.

## **8 Legal consequences**

8.1 For 2022/23, the Council is likely to be required to produce consolidated financial statements under the Accounts and Audit (England) Regulations 2015

## **9 Risk assessment**

9.1 There are no risks to the Council for 2010/22 due to the companies' accounts not being consolidated to form group accounts with the Council's Statement of Accounts.

9.2 There is no risk that the companies will miss the deadline for filing the statements with Companies House is September 2022 as they were signed and submitted in June 2022.

## **10 Procurement implications**

10.1 There are no procurement implications associated with this report.

## **11 Equalities and Human Rights implications / Public Sector Equality Duty**

11.1 There are no equalities and human rights implications associated with this report.

## **12 Environmental Implications**

12.1 There are no environmental implications from this report.

## **13 Other considerations**

13.1 There are no GDPR / Data Protection or Crime & Disorder implications arising from this report.

Company registration number 12173332 (England and Wales)

**HORSHAM DISTRICT HOMES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# HORSHAM DISTRICT HOMES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S Wilson A Chalmers B Elliot
<b>Company number</b>	12173332
<b>Registered office</b>	Parkside Chart Way Horsham West Sussex RH12 1RL
<b>Auditor</b>	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT

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# HORSHAM DISTRICT HOMES LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

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# HORSHAM DISTRICT HOMES LIMITED

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 31 MARCH 2022*

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

### **Principal activities**

The principal activity of the company continued to be that of development of affordable housing for resale to its subsidiary company, Horsham District Homes (Holdings) Limited.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Wilson  
A Chalmers  
B Elliot

### **Statement of Going Concern**

The company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of exposure to liquidity and cash flows have been considered by the Directors who are confident the company remains a going concern and is expected to continue to be.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....  
S Wilson  
**Director**

Date: .....

# **HORSHAM DISTRICT HOMES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors are responsible for preparing the annual 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 elected to prepare 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;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.



# HORSHAM DISTRICT HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HORSHAM DISTRICT HOMES LIMITED

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#### **Opinion**

We have audited the financial statements of Horsham District Homes Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the balance sheet 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 Financial Reporting Standard 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 loss 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.

#### **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. 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 our 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.

# HORSHAM DISTRICT HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF HORSHAM DISTRICT HOMES LIMITED

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#### **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 in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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.

Irregularities, including fraud, 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 misstatements 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 the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

# **HORSHAM DISTRICT HOMES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF HORSHAM DISTRICT HOMES LIMITED**

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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, General Data Protection Regulations, Companies Act 2006, NHBC, Employment and Taxes regulations. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures and evaluating advice received from external advisors. There were no significant laws and regulations we deemed as having 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 any significant, unusual transactions and transactions entered into outside of the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Karen Corduff ACA FCCA

**(Senior Statutory Auditor)**

**For and on behalf of Richard Place Dobson Services Limited**

**Chartered Accountants**

**Statutory Auditor**

Date: .....

Ground Floor  
1 - 7 Station Road  
Crawley  
West Sussex  
RH10 1HT

# HORSHAM DISTRICT HOMES LIMITED

## PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 MARCH 2022*

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Administrative expenses	(14,876)	(13,883)
	<u>          </u>	<u>          </u>
<b>Loss before taxation</b>	<b>(14,876)</b>	<b>(13,883)</b>
Tax on loss	-	-
	<u>          </u>	<u>          </u>
<b>Loss for the financial year</b>	<b>(14,876)</b>	<b>(13,883)</b>
	<u>          </u>	<u>          </u>

# HORSHAM DISTRICT HOMES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investments	4		1		1
<b>Current assets</b>					
Stocks	6	199,840		43,755	
Debtors	7	301,472		402,893	
Cash at bank and in hand		9,631		26,406	
		<u>510,943</u>		<u>473,054</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(66,649)</u>		<u>(13,884)</u>	
<b>Net current assets</b>			444,294		459,170
<b>Net assets</b>			<u>444,295</u>		<u>459,171</u>
<b>Capital and reserves</b>					
Called up share capital			500,000		500,000
Profit and loss reserves			(55,705)		(40,829)
<b>Total equity</b>			<u>444,295</u>		<u>459,171</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

.....

S Wilson

**Director**

**Company Registration No. 12173332**

# HORSHAM DISTRICT HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 MARCH 2022*

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### 1 Accounting policies

#### Company information

Horsham District Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Parkside, Chart Way, Horsham, West Sussex, RH12 1RL.

#### 1.1 Accounting convention

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”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts present the financial information about Horsham District Homes Limited and do not consolidate its results with its trading subsidiary. Exemption from preparing group accounts has been taken as the group qualifies as small.

#### 1.2 Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the company's parent undertaking.

#### 1.3 Stocks

Stocks comprises of land and work in progress, and is valued at the lower of actual cost and net realisable value.

Land Stocks is recognised at the time the liability is recognised which is generally after the exchange of contracts and once an unavoidable obligation arises and is virtually certain the contract will be completed.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.5 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 in the company's balance sheet 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 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# HORSHAM DISTRICT HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.9 Investment in subsidiary

Investment in subsidiary companies are recognised at cost less any provision for impairment in value.

#### 1.10 Overhead and Support Services

Costs relating to finance and legal services, for example, are purchased as a supply and form part of the Company's administration costs.

# HORSHAM DISTRICT HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.11 Taxation

The tax expense represents the sum of the current tax payable and the deferred tax.

Current tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax.

Deferred tax liabilities are generally recognised for all the timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against future taxable profits.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Employees

The average monthly number of persons employed by the company during the year was 0,

Horsham District Homes Limited does not directly employ any staff. A service agreement is in place between Horsham District Homes Limited and Horsham District Council.

### 4 Fixed asset investments

	2022	2021
	£	£
Shares in group undertakings and participating interests	1	1
	<u>1</u>	<u>1</u>

### 5 Subsidiaries

Horsham District Homes Limited holds the following investments in subsidiary companies:

Horsham District Homes Holdings Limited

Company Number: 12356985 (Registered in England)

Principal activity: Purchase of affordable housing to be rented to residents on the Horsham District Council waiting list

The aggregate capital and reserves of Horsham District Homes Holdings Limited at 31 March 2022 were

Share Capital; £1 (2021 - £1)

Reserves £(36,619) (2021 - £(42,955))



# HORSHAM DISTRICT HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Stocks

	2022	2021
	£	£
Stocks	199,840	43,755

The carrying amount of stocks includes £43,755 (2021 - £43,755) of land classified as held for sale and £156,085 (2021 - £0) stock in course of construction.

### 7 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	23,415	23,304
Other debtors	278,057	379,589
	<u>301,472</u>	<u>402,893</u>

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

	2022	2021
	£	£
Amounts owed to group undertakings	11,876	13,883
Other creditors	54,773	-
	<u>66,649</u>	<u>13,883</u>

### 9 Capital Commitments

Amounts contracted for but not provided in the financial statements:

At 31 March 2022 Horsham District Homes Limited was committed to the following significant capital contracts

Roman Way Billingshurst

Total Contract value - £659,067

Paid - £156,085

Contract value outstanding - £502,982

### 10 Events after the reporting date

On 5 April 2022, Horsham District Homes Limited received the remaining balance of their share equity (£275,000) from Horsham District Council

# HORSHAM DISTRICT HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2022*

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### 11 Related party transactions

#### Parent Undertaking

The parent undertaking and person with significant control of Horsham District Homes Limited is Horsham District Council, a local authority in England and Wales. The address of the Council's principal place of business is Parkside, Chart Way, Horsham, West Sussex, RH12 1RL.

A summary of the Company's transactions with Horsham District Council is outlined below:

- Under a services agreement, Horsham District Council provides support services to Horsham District Homes Limited, these are included in administration costs. Amounts owed to Horsham District Council in respect of these services are included in trade creditors.
- Horsham District Homes Limited is 100% owned by Horsham District Council. During the year to 31 March 2022 Horsham District Council had paid up 225,000 shares at £1 each, and 275,000 were unpaid but have been paid up subsequent to the balance sheet date, as set out in note 10 to the financial statements..

#### Group undertakings

Horsham District Homes Limited wholly owns Horsham District Homes (Holdings) Limited. During the year Horsham District Homes Limited provided Horsham District Homes (Holdings) Limited with a loan to settle their support services costs with the parent company, Horsham District Council.

### 12 Going Concern

The Directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Company's parent undertaking.

### 13 Covid-19

At the reporting date Covid-19 caused widespread lockdown measures to be imposed in the UK and worldwide. This has resulted in a reduction in both supply and demand in the economy. It is not currently possible to estimate the impact this will have on the future financial results of the company and management consider it to be a significant uncertainty. Management have assessed the impact of Covid-19 on the results reported for the financial year ended 31 March 2022 and consider that all COVID 19 related costs and effects have been reflected in the accounts.

Company registration number 12356952 (England and Wales)

**HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A Chalmers R Jarvis B Elliott S Wilson
<b>Company number</b>	12356952
<b>Registered office</b>	Parkside Chart Way Horsham West Sussex RH12 1RL
<b>Auditor</b>	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT

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# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## CONTENTS

---

	<b>Page</b>
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 14

---

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 31 MARCH 2022*

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

### **Principal activities**

The principal activity of the company is the purchase of affordable housing to be rented to residents on Horsham District Council waiting list.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Chalmers  
R Jarvis  
B Elliott  
S Wilson

### **Statement of Going Concern**

The Company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of exposure to liquidity and cash flows have been considered by the Directors who are confident the company remains a going concern and is expected to continue to be.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....  
S Wilson  
**Director**

Date: .....

# **HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors are responsible for preparing the annual 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 elected to prepare 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;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

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#### **Opinion**

We have audited the financial statements of Horsham District Homes (Holdings) Limited (the 'company') for the period ended 31 March 2022 which comprise the profit and loss account, the balance sheet 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; and
- 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. 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 our 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.



# **HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED**

---

#### **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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing for the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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.

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

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#### **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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with the 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 misstatements 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 provision of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statement are FRS 102, General Data Protection Regulations, Companies Act 2006, Employment and Taxes regulations. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures and evaluating advice received from external advisors. There were no significant laws and regulations we deemed as having 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 any significant, unusual transactions and transactions entered into outside of the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED**

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#### **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.

Karen Corduff ACA FCCA  
**(Senior Statutory Auditor)**  
**For and on behalf of Richard Place Dobson Services Limited**  
**Chartered Accountants**  
**Statutory Auditor**

Date: .....

Ground Floor  
1 - 7 Station Road  
Crawley  
West Sussex  
RH10 1HT

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 MARCH 2022*

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	16,973	-
Administrative expenses	(29,639)	(42,956)
Other operating income	6,170	-
	<hr/>	<hr/>
<b>Loss before taxation</b>	<b>(6,496)</b>	<b>(42,956)</b>
Tax on loss	8,589	-
	<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>	<b>2,093</b>	<b>(42,956)</b>
	<hr/> <hr/>	<hr/> <hr/>

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	4		-		308,490
Investment properties	5		756,290		-
			<u>756,290</u>		<u>308,490</u>
<b>Current assets</b>					
Debtors	6	19,503		1	
Cash at bank and in hand		3,190		-	
		<u>22,693</u>		<u>1</u>	
<b>Creditors: amounts falling due within one year</b>	7	(65,480)		(42,956)	
<b>Net current liabilities</b>			(42,787)		(42,955)
<b>Total assets less current liabilities</b>			<u>713,503</u>		<u>265,535</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(750,122)		(308,490)
<b>Net liabilities</b>			<u>(36,619)</u>		<u>(42,955)</u>
<b>Capital and reserves</b>					
Called up share capital			1		1
Profit and loss reserves			(36,620)		(42,956)
<b>Total equity</b>			<u>(36,619)</u>		<u>(42,955)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

.....

S Wilson

Director

Company Registration No. 12356952

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 MARCH 2022*

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### 1 Accounting policies

#### Company information

Horsham District Homes (Holdings) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Parkside, Chart Way, Horsham, West Sussex, RH12 1RL.

#### 1.1 Accounting convention

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”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified for investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the 31 March 2022, the company net liabilities of £36,619. The Directors have considered the going concern assumptions used in preparing the accounts and believe the company to be a going concern on the basis that it is in the start-up phase. The company is reliant on the support of its parent company on not calling the debt due until there are sufficient funds available to repay the debt.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

#### 1.4 Tangible fixed assets

Assets in the course of construction are not depreciated.

#### 1.5 Investment properties

Valuation of investment properties - At each year end the directors will estimate the value of investment property. The valuation is a key figure in the accounts and is subject to judgement.

In the year of purchase the valuation is based on cost.

#### 1.6 Impairment of investment properties

At each reporting period end date, the company reviews the carrying amounts of its investment properties to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 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 in the company's balance sheet 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 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.14 Overhead and Support Services

Costs relating to finance and legal services, for example, are purchased as a supply and form part of the Company's administration costs.

#### 1.15 Taxation

The tax expense represents the sum of the current tax payable and the deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year.

##### Deferred tax

Deferred tax liability are generally recognised for all timing differences and deferred tax assets are recognised to the extent that is probable that they will be recovered against future taxable profits.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Valuation of investment properties - At each year end the directors will estimate the value of investment property. The valuation is a key figure in the accounts and is subject to judgement.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0.

Horsham District Homes Holdings Limited does not directly employ any staff. A service agreement is in place between Horsham District Homes Holdings Limited and Horsham District Council.

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 4 Tangible fixed assets

	Assets under construction £
<b>Cost</b>	
At 1 April 2021	308,490
Transfers	(308,490)
	<hr/>
At 31 March 2022	-
	<hr/>
<b>Depreciation and impairment</b>	
At 1 April 2021 and 31 March 2022	-
	<hr/>
<b>Carrying amount</b>	
At 31 March 2022	-
	<hr/> <hr/>
At 31 March 2021	308,490
	<hr/> <hr/>

### 5 Investment property

	2022 £
At 1 April 2021	-
Additions	447,800
Transfers	308,490
	<hr/>
At 31 March 2022	756,290
	<hr/> <hr/>

### 6 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	1	1
Other debtors	10,913	-
Deferred tax asset	8,589	-
	<hr/>	<hr/>
	19,503	1
	<hr/> <hr/>	<hr/> <hr/>

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

	2022 £	2021 £
Amounts due to group undertakings	61,152	13,884
Other creditors	4,328	29,072
	<hr/>	<hr/>
	65,480	42,956
	<hr/> <hr/>	<hr/> <hr/>

# HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Housing and enabling grants received	750,122	308,490

### 9 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£	£
Acquisition of tangible fixed assets	-	304,000

### 10 Parent company

#### Parent Undertaking

The parent undertaking and person with significant control of Horsham District Homes (Holdings) Limited is Horsham District Homes Limited. The ultimate parent undertaking is Horsham District Council, a local authority in England and Wales. The address of the Council's principal place of business is Parkside, Chart Way, Horsham, West Sussex, RH12 1RL.

#### Related Party Transactions

A summary of the Company's transactions with Horsham District Homes (Holdings) Limited is outlined below:

- Horsham District Homes (Holdings) Limited borrowed £21,502 from Horsham District Homes Limited to pay for the support services during the period. This amount is within creditors (note 7).
- Horsham District Homes (Holdings) Limited is 100% owned by Horsham District Homes Limited. During the period to 31 March 2022 Horsham District Homes (Holdings) Limited had issued 1 share at £1 each, which remain unpaid.
- Horsham District Homes (Holdings) Limited received grant income from Horsham District Council. The grants are shown in long term creditors and will be classed as income once the grant conditions have been met.
- Under a services agreement, Horsham District Council provides support services to Horsham District Homes (Holdings) Limited, these are included in administration costs. Amounts owed to Horsham District Council in respect of these services are included in creditors (note 7).

### 11 Covid-19

At the reporting date Covid-19 caused widespread lockdown measures to be imposed in the UK and worldwide. This has resulted in a reduction in both supply and demand in the economy. It is not currently possible to estimate the impact this will have on the future financial results of the company and management consider it to be a significant uncertainty. Management have assessed the impact of Covid-19 on the results reported for the financial period ended 31 March 2022 and consider that all COVID 19 related costs and effects have been reflected in the accounts.