

Forest Future Homes Limited

Company registration number: 8814651

Forest Future Homes Limited

Annual report and financial statements

For the year ended 31 March 2023

Forest Future Homes Limited

Contents

General information	1
Strategic report of the board of directors	2
Report of the board of directors	4
Independent auditor's report	8
Statement of comprehensive income	13
Statement of financial position	14
Statements of changes in reserves	15
Notes to the financial statements	16

Forest Future Homes Limited

General information

Board of directors and executive directors:

The board members who held office during the year and to the date of signing the financial statements were as follows:

Amanda Williams - Chair (until 11 May 2022) (removed 11 May 2022, following resignation as director of Silva Homes)
Stephen Skuse - Chair (from 20 May 2022)*
Remon Fahim
John Andrew
Laura Johnson

* following the resignation of Amanda Williams on 11 May 2022, Stephen Skuse was appointed chair of the Forest Future Homes board on 20 May 2022.

Registered office:	Western Peninsula Western Road Bracknell Berkshire RG12 1RF
Company Secretary:	Valerie Lynch
Auditor:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers:	Barclays plc One Churchill Place London E14 5HP
Solicitors:	Trowers & Hamblins 3 Bunhill Row London EC1Y 8YZ

Forest Future Homes Limited

Strategic report of the board of directors

The board of directors present their strategic report for Forest Future Homes Limited (FFH) and the audited financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company is the provision of design and build contract services.

Business review, principal risks and uncertainties

Risks related to the design and build services provided to Silva Homes Limited are controlled under a standard contract and as such the risk is minimised.

Performance and outlook

The company provided Silva Homes Limited with design and build services during the year.

An increased level of development activity and spend was undertaken by FFH during 2022/23 compared to 2021/22 as the development programme continued the post pandemic recovery and momentum. This is also reflected in higher turnover for 2022/23 compared to the prior year.

The company plans to provide design and build services on further schemes in 2023/24.

There are no additional key performance indicators other than the figures disclosed in the financial statements. Comments on performance in the year are set out above.

Forecasts and future plans

The company expects to continue to provide design and build services to support Silva Homes in the delivery of its plans to develop 1,100 new homes over the next five years.

The company expects that its volume of work will continue to increase during 2023/24 in order to support Silva Homes' development plans.

Discussions are progressing between Silva Homes and Abri Group about a potential merger. Under the proposals, Silva Homes would initially become a subsidiary of Abri Group, prior to a transfer of engagements to take place within a year, and Forest Future Homes would remain a subsidiary of Silva Homes. It is envisaged that the proposed partnership could complete in October 2023 and further information is contained in the parent company annual report & financial statements for the year ended 31 March 2023.

Forest Future Homes Limited

Employees

The company does not employ its own staff. Management services are purchased from the parent Silva Homes Limited under a service level agreement which was last updated on 1 February 2020.

Approved by the board of directors and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S Skuse', with a stylized flourish at the end.

Stephen Skuse, Chair
7 September 2023

Forest Future Homes Limited

Report of the board of directors

The directors present their report and the financial statements for the year ended 31 March 2023.

Results and dividends

The profit for the year after taxation was £1,138,000. The board of directors do not recommend the payment of a dividend in respect of the year. The profit of £1,138,000 will be gift aided to the parent entity, Silva Homes Limited.

Directors

The directors set out below have held office during the whole of the period from 1 April 2022 to the date of this report unless otherwise stated:

Amanda Williams - Chair (until 11 May 2022)*

Stephen Skuse - Chair from 20 May 2022*

Remon Fahim

John Andrew

Laura Johnson

* The parent board took a decision to agree the removal of Amanda Williams as a director from the FFH board following her resignation from the parent board on 11 May 2022 and approved the appointment of Stephen Skuse as the new FFH board chair on 20 May 2022.

Exposure to price, credit and liquidity risk

Price risk

The company is exposed to price risk due to normal inflationary increases in the purchase price of goods and services in the UK but agrees fixed price development contracts wherever practical.

Credit risk

Checks of contractors are completed on behalf of the company by the Silva Homes Limited finance team before contracts are signed and appropriate arrangements are made to mitigate the financial risks as far as possible and reasonable.

Liquidity risk

The company has access to intercompany loan facilities with Silva Homes Limited to ensure the company has sufficient available funds for operations and planned expansions.

Forest Future Homes Limited

Report of the board of directors (continued)

Going concern

After reviewing the company's forecasts and projections, the board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. A letter of support for a period of not less than 12 months from the balance sheet date has also been provided to the company by its parent.

For these reasons, the board continues to adopt the going concern basis in preparing the company's financial statements.

Political and charitable contributions

The company gift aided its net profit for 2021/22 of £1,125k to its parent, Silva Homes Limited, during the year. The company will make a similar gift aid of its net profit of £1,138k for 2022/23 to its parent, Silva Homes Limited. The company has made no political donations during the year.

External influences

The company continues to operate in a challenging political and socio-economic environment, headlined by adverse impacts from Brexit, high inflation and the war in Ukraine.

Despite these challenges, operating activity and turnover increased during 2022/23 compared to the prior year.

The company expects that its volume of work will increase during 2023/24 in order to support Silva Homes' development plans.

The after-effects of Brexit and Covid-19, together with the global effect the war in Ukraine, rising inflation and other issues, are continuing to impact on material and labour supplies for construction.

These issues may have a negative short-term impact on housebuilding activity but are likely to be at least partially mitigated by demand for new homes remaining strong. Additionally, our s106 development contracts are all at fixed prices so we expect there to be limited impact on our costs over the next 12 months. We will continue to monitor this closely during 2023/24 and take any mitigations and corrective action which may be required.

Accounting policies

The company's principal accounting policies are set out on page 16 of the financial statements.

Forest Future Homes Limited

Report of the board of directors (continued)

Director's indemnity

The company's articles of association provide, subject to the provisions of UK legislation, an indemnity for directors of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company.

Appropriate directors' liability insurance cover is in place in respect of all of company's directors.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Statement of the responsibilities of the board for the report and financial statements

The board is responsible for preparing the strategic report, the report of the board of directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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:

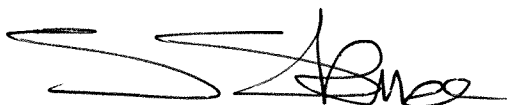
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Forest Future Homes Limited

Statement of the responsibilities of the board for the report and financial statements (continued)

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.

Approved by the board of directors and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Stephen Skuse', written over a horizontal line.

Stephen Skuse - Chair
7 September 2023

Forest Future Homes Limited

Independent auditor's report to the members of Forest Future Homes Limited

Opinion

We have audited the financial statements of Forest Future Homes Limited for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's 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.

Forest Future Homes Limited

Independent auditor's report to the members of Forest Future Homes Limited (continued)

Other information

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

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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

Forest Future Homes Limited

Independent auditor's report to the members of Forest Future Homes Limited (continued)

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK

Forest Future Homes Limited

Independent auditor's report to the members of Forest Future Homes Limited
(continued)

operations were health and safety and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Forest Future Homes Limited

Independent auditor's report to the members of Forest Future Homes Limited
(continued)



Julia Poulter
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW
Date: 22 September 2023

Forest Future Homes Limited

Statement of comprehensive income for the year ended 31 March 2023

	<i>Note</i>	2023 £'000	2022 £'000
Turnover		30,880	28,176
Cost of sales		(29,415)	(26,836)
Operating costs		<u>(327)</u>	<u>(215)</u>
Operating profit		1,138	1,125
Profit before taxation		1,138	1,125
Taxation	6	<u>-</u>	<u>-</u>
Profit for the year	3	<u>1,138</u>	<u>1,125</u>
Total comprehensive income for the year		<u>1,138</u>	<u>1,125</u>

All amounts relate to continuing activities.

The notes on pages 16 to 20 form part of these financial statements.

Forest Future Homes Limited

Statement of financial position As at 31 March 2023

	<i>Note</i>	2023 £'000	2022 £'000
Current assets			
Debtors	7	2,549	2,545
Cash at bank and in hand		1,117	1,044
		<u>3,666</u>	<u>3,589</u>
Creditors: amounts falling due within one year	8	<u>(2,527)</u>	<u>(2,463)</u>
Net current assets		<u>1,139</u>	<u>1,126</u>
Net assets		<u>1,139</u>	<u>1,126</u>
Capital and reserves			
Share capital	9	1	1
Revenue reserves		<u>1,138</u>	<u>1,125</u>
Shareholders' funds		<u>1,139</u>	<u>1,126</u>

The notes on pages 16 to 20 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 7 September 2023. They were signed on its behalf by:



Stephen Skuse
Chair



Valerie Lynch
Company Secretary

Company registration number: 8814651

Forest Future Homes Limited

Statement of changes in reserves for the year ended 31 March 2023

	Share capital £'000	Revenue reserves £'000	Total £'000
As at 1 April 2022	1	1,125	1,126
Profit for the year	-	1,138	1,138
Gift aid distribution to Silva Homes	-	(1,125)	(1,125)
As at 31 March 2023	<u>1</u>	<u>1,138</u>	<u>1,139</u>

Statement of changes in reserves for the year ended 31 March 2022

	Share capital £'000	Revenue reserves £'000	Total £'000
As at 1 April 2021	1	323	324
Profit for the year	-	1,125	1,125
Gift aid distribution to Silva Homes	-	(323)	(323)
As at 31 March 2022	<u>1</u>	<u>1,125</u>	<u>1,126</u>

Forest Future Homes Limited

Notes to the financial statements 31 March 2023

1. Basis of preparation of financial statements

Future Forest Homes Limited is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business are as disclosed on page 1 of these financial statements.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (March 2018) (FRS 102) issued by the Financial Reporting Council.

The March 2018 edition of FRS 102 includes amendments arising from the Financial Reporting Council's triennial review of the standard.

The financial statements are presented in sterling which is also the company's functional currency.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The entity is a qualifying entity and has also taken advantage of the exemption to prepare a statement of cashflows under section 1.12 of FRS 102 given it is a 100% owned subsidiary of Silva Homes Limited who prepare publicly available consolidated financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Turnover

Turnover represents design and build fees and is stated net of VAT. Fees charged for the provision of design and build services are recognised as turnover on a continuous basis over the life of the contract, to the extent that the right to consideration has been earned in exchange for performance.

Value added tax (VAT)

The company is able to recover VAT in full, therefore expenditure is recorded exclusive of VAT and the amount recoverable included in debtors.

Work in progress

Costs incurred in respect of development of properties are accrued and carried forward as work in progress at the lower of costs and net realisable value.

Forest Future Homes Limited

Notes to the financial statements (continued)

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Going concern

After reviewing the company's forecasts and projections, and specifically considering the implications of the impact of Covid-19, Brexit, rising inflation and the war in Ukraine, the board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. A letter of support for a period of not less than 12 months from the balance sheet date has also been provided to the company by its parent.

For these reasons, the board continues to adopt the going concern basis in preparing the company's financial statements.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the board to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the board believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below:

Provisions and accruals

Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas, it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

3. Profit for the year

	2023 £'000	2022 £'000
<i>Profit for the year is stated after charging:</i>		
Auditor's remuneration:		
- audit fee	7	6
- non audit fees	2	2
	<u>9</u>	<u>8</u>

Forest Future Homes Limited

4. Remuneration of directors and board members

The board of directors of the company is shown on page 1. There were no emoluments payable to the board of directors of Forest Future Homes Limited.

5. Employees

The company has no employees. The company is invoiced for work completed on its behalf by staff employed by its parent, Silva Homes Limited.

6. Taxation on profit on ordinary activities

	2022 £'000	2021 £'000
Profit on ordinary activities before taxation	1,138	1,125
Profit on ordinary activities multiplied by the standard rate of UK corporation tax 19.00% (2022: 19.00%)	216	214
Effects of: Gift aid distribution	(216)	(214)
Current tax charge for the year	-	-

Forest Future Homes Limited will pay gift aid of £1,138k to its parent Silva Homes Limited thus reducing the taxable profit and, in turn, the associated tax liability in this company to nil.

Factors that may affect future tax charges

Forest Future Homes Limited intends to gift aid up any taxable profits in future periods to reduce taxable profits to nil and ensure that no tax liability arises within this company.

Forest Future Homes Limited

Notes to the financial statements (continued)

7. Debtors

	2023 £'000	2022 £'000
Other amounts owed by group undertakings	2,500	2,436
VAT recoverable	48	108
Share capital receivable	1	1
	<u>2,549</u>	<u>2,545</u>

All debtors fall due within one year.

8. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Capital accruals	2,196	2,250
Revenue accruals	10	8
Other amounts owed to group undertakings	321	205
	<u>2,527</u>	<u>2,463</u>

All creditors are payable within one year.

9. Called up share capital

	2023 £'000	2022 £'000
Allotted, issued and unpaid:		
1,000 ordinary shares of £1 each	1	1
At 31 March	<u>1</u>	<u>1</u>

10. Ultimate parent undertaking

The board regards Silva Homes Limited as the ultimate parent company and the ultimate controlling party. Copies of the consolidated financial statements of Silva Homes Limited can be obtained from the company secretary, Silva Homes Limited, Western Peninsula, Western Road, Bracknell, RG12 1RF.

Forest Future Homes Limited

Notes to the financial statements (continued)

11. Capital commitments

	2023 £'000	2022 £'000
Capital commitments not provided in financial statements	<u>79,623</u>	<u>61,460</u>

12. Related party transactions

The company is exempt from disclosing transactions with other group undertakings under section 33.1A of Financial Reporting Standard 102, being a wholly owned subsidiary undertaking of Silva Homes Limited which prepares publicly available consolidated financial statements.