

**Company No: 8814651**

**FOREST FUTURE HOMES LIMITED**

**Annual Report and Financial Statements**

**Year Ended 31 March 2024**

**CONTENTS**

|  |    |
|--|----|
| GENERAL INFORMATION .....  | 1  |
| STRATEGIC REPORT .....   | 2  |
| Organisational Overview .....  | 2  |
| Business Model .....   | 2  |
| Overview of Financial Performance .....  | 2  |
| Our Performance .....  | 2  |
| Principal Risks and Uncertainties .....  | 2  |
| Section 172 Compliance .....   | 3  |
| Statement of Compliance .....  | 3  |
| DIRECTORS' REPORT .....  | 4  |
| Board of Directors .....   | 4  |
| Directors' Indemnities .....   | 4  |
| Dividends .....  | 4  |
| Governance and Regulation .....  | 4  |
| Employees .....  | 5  |
| Post Balance Sheet Events .....  | 5  |
| Going Concern .....  | 5  |
| Disclosure of Information to Auditor .....                                       | 5  |
| External Auditor .....   | 6  |
| Approval of the Board .....  | 6  |
| STATEMENT OF THE DIRECTORS' RESPONSIBILITIES .....                               | 7  |
| INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST FUTURE HOMES LIMITED ..... | 8  |
| STATEMENT OF COMPREHENSIVE INCOME .....  | 12 |
| STATEMENT OF FINANCIAL POSITION .....  | 13 |
| STATEMENT OF CHANGES IN EQUITY .....   | 14 |
| NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 .....         | 15 |

**GENERAL INFORMATION**

**BOARD OF DIRECTORS**

|                |                          |
|----------------|--------------------------|
| Stephen Skuse  |                          |
| Jane Alderman  | appointed 2 October 2023 |
| Stephen Lodge  | appointed 2 October 2023 |
| Caroline Moore | appointed 2 October 2023 |
| Mohammed Fahim | resigned 2 October 2023  |
| John Andrew    | resigned 2 October 2023  |
| Laura Johnson  | resigned 2 October 2023  |

**COMPANY SECRETARY**

Valerie Lynch

**REGISTERED OFFICE**

Western Peninsula  
Western Road  
Bracknell  
Berkshire  
RG12 1RF

**BANKERS**

Barclays plc  
One Churchill Place  
London  
E14 5HP

**AUDITOR**

Crowe UK LLP  
55 Ludgate Hill  
London  
EC4M 7JW

## STRATEGIC REPORT

### Organisational Overview

Forest Future Homes Limited is registered at Companies House in accordance with the Companies Act, with a registered head office in Bracknell. The Company became a member of the Abri Group on 2 October 2023 when its immediate parent company, Silva Homes Limited, joined the Group.

### Business Model

The primary activity of the Company is the provision of development services for properties across social and affordable tenures.

### Overview of Financial Performance

Turnover has reduced from £30.9m to £19.2m, following a reduction in volumes of development activity in Silva Homes from which the Company derives its turnover.

Cost of sales, including labour, subcontractor, and materials, have reduced from £29.4m to £18.3m in line with turnover. Operating costs, in the form of management recharges from Silva Homes have also reduced marginally year on year.

The reduction in activity has also seen profits before tax reduce from £1.1m to £0.6m, with a corresponding reduction in net margin from 3.7% to 3.3%.

Receivables have reduced from £2.5m to £2.3m, the decrease attributable to a reduction in accrued income. Payables due within one year have increased from £2.5m to £3.1m, reductions in accruals have been offset by contract retentions and gift aid accruals.

In November 2023, the Company paid £1.1m in Gift Aid to its parent company, fully mitigating its taxable surplus for the year ended 31 March 2023. At the end of the financial year, the Company has accrued a Gift Aid payment of £0.6m to mitigate the taxable surpluses generated during the current year following the signing of a Deed of Covenant in March 2024. The amounts will be paid prior to 31 December 2024 and the Company therefore closed the year with a small net asset position.

### Our Performance

We monitor our operations every month on a group-wide basis by a range of key performance indicators (KPIs), allowing us to assess our financial performance and position and the delivery of our corporate strategy during the year. An appraisal of these KPIs is included in our Group statutory accounts, available on our website.

### Principal Risks and Uncertainties

Within the Group, the principal risks and uncertainties, as identified by the Executive Board, are deemed to be those that would impact on the Group's ability to successfully deliver on the aims and objectives of its corporate strategy. An appraisal of these strategic risks is included in our Group statutory accounts.

Operational risks are those that the entities in the organisation face on a day-to-day basis, which are specific to the activities performed in each legal entity.

The principal risk facing the entity is the ability of fellow Group entities being unable to meet their contractual obligations to purchase housing properties as they fall due. Such risks are mitigated by the work performed and reviews undertaken by the relevant committees within the Group.

## **STRATEGIC REPORT (continued)**

### **Section 172 Compliance**

The Company operates within the structure of the Abri Group since joining the Group in October 2023 and, as such, key decisions impacting the Company are taken by the Executive Board, subject to approval from the relevant committee and legal entity board. Decisions impacting the entity most typically pass through the Development and Assets Committee with input from the Development directorate.

The Directors place paramount importance on their legal duties under Section 172 of the Companies Act 2006. The Board is of the opinion that its conduct and those it collaborates with led to decisions made in good faith to promote the success of the Company whilst considering the long-term implications of those decisions on its key stakeholders, as outlined below.

#### ***Employees***

The entity has no direct employees but utilises members of staff from relevant departments who are employed by other members of the Group. All employees share common terms and conditions, irrespective of the employing entity and have access to the same resources, services and development opportunities.

Employees are supported by the Silva Colleague Forum, a forum of elected individuals who collaborate with the Executive Board and providing a voice for feedback. Employees are regularly surveyed, have monthly performance check ins with managers and are encouraged to openly share their views.

#### ***Customers and Partners***

Being members of the same Group, regular contact is maintained with Silva Homes to whom all design and build and construction services are provided. This enables the entity to monitor the liquidity of these entity and be comfortable it will be paid for services delivered.

The entity maintains relationships with several suppliers, subcontractors and professional service firms who are all managed under the procurement function of the Group.

#### ***Community and Environment***

The entity is directly involved in the supply of new homes to the registered providers in the Group and plays an important role in building communities, a fundamental pillar of the group wide Corporate Strategy. We seek to engage with local communities in the early stages of planning, keeping them informed and updated during the construction process.

As a housebuilder, the entity is engaged with the relevant departments in the organisation to ensure our homes are delivered in an environmentally friendly way as possible, using modern methods of construction and materials where possible and are sustainable for customers in the long run.

### **Statement of Compliance**

The strategic report was approved by the Board on 7 August 2024 and signed on its behalf by:



**Stephen Skuse**  
Director

**DIRECTORS' REPORT**

The Directors present their report for the year ended 31 March 2024.

**Board of Directors**

The Directors of the Company during the year and up to the date of signing are listed on page 1 and their remuneration is disclosed in note 7.

**Membership of Other Legal Entities and Committees**

The members of the Board also hold positions as Directors of other legal entities and serve on committees within Abri Group as outlined below:

|                                  | <b>Stephen Skuse</b> | <b>Jane Alderman</b> | <b>Caroline Moore</b> | <b>Stephen Lodge</b> |
|----------------------------------|----------------------|----------------------|-----------------------|----------------------|
| <b>Legal entities</b>            |                      |                      |                       |                      |
| Abri Group                       | Member               | Member               | <i>Member</i>         | -                    |
| The Swaythling Housing Society   | Member               | Member               | <i>Member</i>         | -                    |
| Oriel Housing                    | Member               | Member               | <i>Member</i>         | -                    |
| Silva Homes                      | Member               | Member               | <i>Member</i>         | -                    |
| Radian Capital                   | -                    | -                    | <i>Member</i>         | Member               |
| Radian Developments              | -                    | Member               | -                     | <i>Chair</i>         |
| Yarlington Homes                 | -                    | Chair                | -                     | -                    |
| Yarlington Treasury Services     | -                    | -                    | <i>Chair</i>          | Member               |
| Yarlington Property Management   | -                    | -                    | <i>Chair</i>          | Member               |
| <b>Committees</b>                |                      |                      |                       |                      |
| Treasury                         | -                    | Member               | <i>Member</i>         | -                    |
| Development and Assets           | Member               | Chair                | -                     | -                    |
| Customer Service and Performance | -                    | Member               | -                     | -                    |

Key: Non-Executive Member, *Executive Board Member*.

**Directors' Indemnities**

Directors' and Officer's insurance cover has been established for all Directors to provide appropriate cover, indemnifying them against liability when acting for the Company. The indemnities were in force during the financial year and remain in place for all current and past Directors of the Company.

**Dividends**

The Directors do not recommend the payment of a dividend (2023: £nil).

**Governance and Regulation**

The operations of the Company are subject to the governance and management structures in place across the Group, in common with all fellow subsidiaries. An overview of the approach to governance and regulatory compliance, as determined by the Group Board, is included in our Group statutory accounts.

## **DIRECTORS' REPORT (continued)**

### **Employees**

The Company had no employees in the year (2023: none)

### **Post Balance Sheet Events**

There have been no events since the reporting date that the Board considers to have had a significant effect on the Company's financial position.

### **Going Concern**

In recent years, several factors – a global pandemic, followed by Russia's invasion of Ukraine, both significant contributors to the resulting cost of living crisis and the consequential rise in interest rates – have all significantly impacted going concern assessments. Whilst certain elements, most notably geo-political instability, continues to exist, others have gradually faded as we adjust to a new normal.

The entity delivers design and build services to fellow Group members, typically on a cost-plus basis, where its tax structure delivers an overall benefit to the Group. The appropriateness of preparing the accounts of the entity on a going concern basis is therefore intrinsically linked to the going concern of the Group as a whole.

Prior to entering into contract with third parties, the directors also ensure the purchasing entity can meet its contractual obligations as they fall due via a review of past involvement with the purchaser, updating credit checks and liquidity assessments. The Development and Assets committee also reviews the performance of all development schemes, with delegation from the ultimate parent under Group Standing Orders for effective governance and operations across all Group subsidiaries. They receive assurance at each meeting that financial commitments can be met and are provided with oversight of key financial risks.

The entity is currently engaged in several contracts for work and has a reasonable expectation of being awarded more in future. For the reasons outlined above, the entity is expected to deliver a profit during the execution of these contracts.

The entity has no external funding and is therefore not exposed to bank covenants and is protected from a range of macro-economic factors, such as inflation, given the contractual arrangements in place.

The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis for the 12 months from the signing date.

### **Disclosure of Information to Auditor**

At the date when this report is approved each of the Board Members confirm the following:

- so far as each Board Member is aware, there is no relevant audit information needed by the Company's auditor in connection with preparing their report, of which the Company's auditor is unaware; and
- each Board Member has taken all the steps that they ought to have taken as a Board Member to make themselves aware of any relevant audit information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

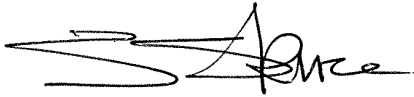
**DIRECTORS' REPORT (continued)**

**External Auditor**

Following completion of the audit for 2024, Crowe UK LLP will step down as auditors of the Company, being replaced by BDO LLP, the existing auditors of the Abri Group. BDO LLP has indicated their willingness to continue in office and a resolution to appoint them will be proposed at the forthcoming annual general meeting.

**Approval of the Board**

The Directors' Report was approved by the Board on 7 August 2024 and signed on its behalf by:

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

**Stephen Skuse**  
Director

## **STATEMENT OF THE DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **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 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 2024 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.

### **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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST FUTURE HOMES LIMITED (continued)**

### **Other information (continued)**

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
- 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 7, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST FUTURE HOMES LIMITED (continued)**

**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 Independent 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST FUTURE HOMES LIMITED (continued)**

**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.



Julia Poulter  
Senior Statutory Auditor

For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
55 Ludgate Hill  
London  
EC4M 7JW

Date: 8 August 2024

**STATEMENT OF COMPEHENSIVE INCOME**  
**Year ended 31 March 2024**

|   | Note     | 2024<br>£'000 | 2023<br>£'000 |
|---|----------|---------------|---------------|
| Turnover  | 3        | 19,188        | 30,880        |
| Cost of sales                                   |          | (18,274)      | (29,415)      |
| Operating costs                                 |          | (277)         | (327)         |
| <b>Operating Profit</b>                         |          | <u>637</u>    | <u>1,138</u>  |
| Finance income                                  | 4        | 12            | -             |
| <b>Profit on ordinary activities before tax</b> | <b>5</b> | <u>649</u>    | <u>1,138</u>  |
| Tax charge for the year                         | 6        | -             | -             |
| <b>Profit on ordinary activities after tax</b>  |          | <u>649</u>    | <u>1,138</u>  |

All activities derive from continuing operations.

The notes on pages 15 to 19 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
As at 31 March 2024

|  | Note | 2024<br>£'000 | 2023<br>£'000 |
|--|------|---------------|---------------|
| <b>Current assets</b>                        |      |               |               |
| Receivables                                  | 9    | 2,254         | 2,549         |
| Cash and cash equivalents                    |      | 809           | 1,117         |
|  |      | <b>3,063</b>  | <b>3,666</b>  |
| Payables: amounts due within one year        | 10   | (3,062)       | (2,527)       |
| <b>Net current assets</b>                    |      | <b>1</b>      | <b>1,139</b>  |
| <b>Total assets less current liabilities</b> |      | <b>1</b>      | <b>1,139</b>  |
| <b>Net assets</b>                            |      | <b>1</b>      | <b>1,139</b>  |
| <b>Capital and reserves</b>                  |      |               |               |
| Share capital                                | 11   | 1             | 1             |
| Revenue reserve                              |      | -             | 1,138         |
|  |      | <b>1</b>      | <b>1,139</b>  |

The notes on pages 15 to 19 form part of these financial statements.

The financial statements of Forest Future Homes Limited, registered number 8814651, on pages 12 to 19 were approved by the Board of Directors and authorised for issue on 7 August 2024 and signed on its behalf by:



**Stephen Skuse**  
Director

**STATEMENT OF CHANGES IN EQUITY**

|   | Share<br>Capital<br>£'000 | Revenue<br>Reserve<br>£'000 | Total<br>£'000 |
|---|---------------------------|-----------------------------|----------------|
| <b>At 1 April 2022</b>                  | <b>1</b>                  | <b>1,125</b>                | <b>1,126</b>   |
| Profit on ordinary activities after tax | -                         | 1,138                       | <b>1,138</b>   |
| Gift Aid paid – prior year              | -                         | (1,125)                     | <b>(1,125)</b> |
| <b>At 31 March 2023</b>                 | <b>1</b>                  | <b>1,138</b>                | <b>1,139</b>   |
| Profit on ordinary activities after tax | -                         | 649                         | <b>649</b>     |
| Gift Aid paid – prior year              | -                         | (1,138)                     | <b>(1,138)</b> |
| Gift Aid accrued – current year         | -                         | (649)                       | <b>(649)</b>   |
| <b>At 31 March 2024</b>                 | <b>1</b>                  | <b>-</b>                    | <b>1</b>       |

The notes on pages 15 to 19 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 1. LEGAL STATUS

The Company is a private limited company incorporated in the United Kingdom under the Companies Act 2006.

### 2. ACCOUNTING POLICIES

#### **Basis of Preparation**

The financial statements of the Company have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102). The financial statements are presented in pounds sterling and have been prepared on the historical cost basis.

#### **Going Concern**

In recent years, several factors – a global pandemic, followed by Russia’s invasion of Ukraine, both significant contributors to the resulting cost of living crisis and the consequential rise in interest rates – have all significantly impacted going concern assessments. Whilst certain elements, most notably geo-political instability, continues to exist, others have gradually faded as we adjust to a new normal.

The entity delivers design and build services to fellow Group members, typically on a cost-plus basis, where its tax structure delivers an overall benefit to the Group. The appropriateness of preparing the accounts of the entity on a going concern basis is therefore intrinsically linked to the going concern of the Group as a whole.

Prior to entering into contract with third parties, the directors also ensure the purchasing entity can meet its contractual obligations as they fall due via a review of past involvement with the purchaser, updating credit checks and liquidity assessments. The Development and Assets committee also reviews the performance of all development schemes, with delegation from the ultimate parent under Group Standing Orders for effective governance and operations across all Group subsidiaries. They receive assurance at each meeting that financial commitments can be met and are provided with oversight of key financial risks.

The entity is currently engaged in several contracts for work and has a reasonable expectation of being awarded more in future. For the reasons outlined above, the entity is expected to deliver a profit during the execution of these contracts.

The entity has no external funding and is therefore not exposed to bank covenants and is protected from a range of macro-economic factors, such as inflation, given the contractual arrangements in place.

The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis for the 12 months from the signing date.

#### **Disclosure Exemptions**

In preparing the financial statements of the Company, advantage has been taken of the disclosure exemption under FRS 102 paragraph 1.12(b) in not preparing a Statement of Cash Flows on the basis that this is included in the consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

**2. ACCOUNTING POLICIES (continued)**

**Turnover**

Turnover represents income receivable from the provision of construction and development services. For standard contracts, turnover represents the fair value of the service provided based on the stage of completion at the reporting date.

**Cost of Sales**

Cost of sales represent direct labour, materials and subcontractor costs incurred in providing construction and development services.

**Value Added Tax (VAT)**

The Company is VAT registered and makes zero-rated supplies of construction services and partially constructed residential buildings, enabling it to reclaim its input VAT.

**Tax**

Current tax is recognised for tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash at bank and in hand, deposits, and short-term investments with an original maturity date of three months or less.

**Receivables and Payables**

Receivables and payables with no stated interest rate, and receivable and payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income within operating income and expense.

**Financial Instruments**

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are classified according to their substance.

**Critical Judgements, Estimates, and Uncertainty**

Preparation of the financial statements requires management to make the following significant judgments and estimates:

***Recoverable amount of properties held for sale to fellow Group entities***

Judgement is exercised in determining that the entity within the Group contracted to purchase properties developed for sale can meet their obligations as they fall due and that, subsequently properties are not held at a carrying value higher than their recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)****3. TURNOVER**

The Company operates solely within, and therefore all revenue is generated from, operations in the United Kingdom. All turnover in both the current and prior year relates to the provision of design and build services.

**4. FINANCE INCOME**

|  | 2024<br>£'000 | 2023<br>£'000 |
|--|---------------|---------------|
| Interest receivable from cash and cash equivalents | 12            | -             |

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX**

Profit on ordinary activities before taxation is stated after charging:

|  | 2024<br>£'000 | 2023<br>£'000 |
|--|---------------|---------------|
| <b>Fees payable to the Company's auditor for:</b>        |               |               |
| Audit of the annual financial statements (excluding VAT) | 7             | 7             |
| Non-audit services                                       | 2             | 2             |
|  | <u>9</u>      | <u>9</u>      |

**6. TAX**

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 25% (2023: 19%). The differences are explained as follows:

|   | 2024<br>£'000 | 2023<br>£'000 |
|---|---------------|---------------|
| <b>Total tax reconciliation</b>                         |               |               |
| Profit on ordinary activities before tax                | 649           | 1,138         |
| Tax on profit on ordinary activities at 25% (2023: 19%) | 162           | 216           |
| <b>Effects of:</b>                                      |               |               |
| Gift Aid  | (162)         | (216)         |
| <b>Total tax charge</b>                                 | <u>-</u>      | <u>-</u>      |

The deduction of £162k (2023: £216k) of Gift Aid relates to an amount of £649k (2023: £1,138k) to be gifted prior to 31 December 2024, with the tax benefit taken in the year ended 31 March 2024 as permitted by Section 199 of the Corporation Tax Act 2020.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)****7. DIRECTORS' EMOLUMENTS**

The Key Management Personnel of the Company, changed during the year after the Company became part of the Abri Group. With effect from 2 October 2023, all Key Management Personnel were remunerated by The Swaythling Housing Society Limited, and are identified as:

- The legal Directors, comprising both non-executive and executive board members (as outlined below);
- The remaining members of the Executive Board who are not legal Directors; and
- The Corporate Directors who have day-to-day responsibilities for operational departments in the wider Group structure

Executive Board members receive no incremental remuneration for their role as Directors of individual legal entities. The amounts included below relate to the fees each Director receives for their role across the Abri Group and not for services specifically provided to the Company.

| <b>Name</b>           | <b>Appointed</b>  | <b>Resigned</b>   | <b>Annual Fee</b> |
|-----------------------|-------------------|-------------------|-------------------|
| Stephen Skuse         | 20/05/2022        | -                 | 16,238            |
| Mohammed Fahim        | 21/10/2021        | 02/10/2023        | 7,500             |
| Jane Alderman         | 02/10/2023        | -                 | 16,238            |
| <i>John Andrew</i>    | <i>27/09/2018</i> | <i>02/10/2023</i> | <i>N/A</i>        |
| <i>Laura Johnson</i>  | <i>25/10/2018</i> | <i>02/10/2023</i> | <i>N/A</i>        |
| <i>Caroline Moore</i> | <i>02/10/2023</i> | -                 | <i>N/A</i>        |
| <i>Stephen Lodge</i>  | <i>02/10/2023</i> | -                 | <i>N/A</i>        |

Key: Non-Executive Member, *Executive Board Member*

**8. STAFF COSTS**

The Company had no employees in the year (2023: none).

**9. RECEIVABLES**

|                                    | <b>2024</b>  | <b>Restated<br/>2023</b> |
|------------------------------------|--------------|--------------------------|
|                                    | <b>£'000</b> | <b>£'000</b>             |
| Trade receivables                  | 67           | 182                      |
| Other receivables and prepayments  | 1,642        | 1,957                    |
| Contract Retentions                | 531          | 361                      |
| Other taxation and social security | 13           | 48                       |
| Called up share capital            | 1            | 1                        |
|                                    | <b>2,254</b> | <b>2,549</b>             |

The prior year comparative has been restated to split trade receivables, accrued income and retentions out from balances previously disclosed as amounts owed to Group undertakings. The total amount owed by group entities included above is £2,241k (2023: £2,501k).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)****10. PAYABLES: AMOUNTS DUE WITHIN ONE YEAR**

|                                    | <b>2024</b>         | <b>Restated<br/>2023</b> |
|------------------------------------|---------------------|--------------------------|
|                                    | <b>£'000</b>        | <b>£'000</b>             |
| Trade payables                     | 1                   | -                        |
| Amounts owed to Group undertakings | 269                 | 321                      |
| Accruals                           | 1,637               | 1,862                    |
| Contract retentions                | 506                 | 344                      |
| Gift Aid distribution              | 649                 | -                        |
|                                    | <b><u>3,062</u></b> | <b><u>2,527</u></b>      |

The prior year comparative has been restated to split retention balances from accruals. Future Gift Aid distributions have been accrued following a Deed of Covenant being established in March 2024.

**11. SHARE CAPITAL**

|  | <b>2024</b>     | <b>2023</b>     |
|--|-----------------|-----------------|
|  | <b>£'000</b>    | <b>£'000</b>    |
| <b>1,000 Shares of £1 each</b>                   |                 |                 |
| Shares issued and unpaid at 1 April and 31 March | <b><u>1</u></b> | <b><u>1</u></b> |

**12. RELATED PARTY TRANSACTIONS**

The Company, a subsidiary of Silva Homes Limited, which itself is a subsidiary of Abri Group Limited, has taken advantage of the exemption contained in FRS 102 paragraph 33.1A not to disclose transactions or balances with entities which are wholly owned by the Group.

There were no other related party transactions during the period or balances at the reporting date.

**13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

At 31 March 2024 the Company's immediate parent was Silva Homes Limited, a Co-operative and Community Benefits Society registered with the Financial Conduct Authority.

At 31 March 2024 the Company's ultimate parent and ultimate controlling party was Abri Group Limited, a Co-operative and Community Benefits Society registered with the Financial Conduct Authority.

Abri Group Limited is a registered provider and is the parent of both the largest and smallest group into which the Company is consolidated.

Group financial statements can be obtained from Abri Group Limited, Collins House, Bishopstoke Road, Eastleigh, SO50 6AD.