

New Living Homes Limited

Company Registration Number
10438384

New Living Homes Limited
Report and Financial Statements
for the year ended 31st March 2021

NEW LIVING HOMES LIMITED
For the year ended 31st March 2021

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Company Information

Directors

G. F. Lucas (Chair of the Board)
C. Z. Doyle - resigned 26 February 2021
J. Carleton - resigned 26 October 2020
H. Thompson - resigned 31 January 2021
C. Christian - resigned 27 April 2020
A. Ewart - appointed 27 April 2020
J. Owen - appointed 26 February 2021
E. Richman - appointed 24 March 2021
C. Dunn - appointed 24 March 2021

Company Secretary

Susan Rudd - resigned 17 April 2020
Juliet Craven - appointed 17 April 2020

Registered office

First Place
22 Union Street Oldham
Greater Manchester
OL1 1BE

Website

<https://www.fcho.co.uk/>

Registered Number

Companies House No. 10438384

External Auditors

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Internal Auditors

Mazars LLP
One St Peters
Square
Manchester
M2 3DE

Bankers

Barclays Bank Limited
Merseyside & North Cheshire team
11th Floor
20 Chapel Street
Liverpool
L3 9AG

NEW LIVING HOMES LIMITED

For the year ended 31 March 2021

STRATEGIC REPORT

Principal activities

The company was incorporated on 20th October 2016. The principal activity of the Company during the year was the undertaking of design and build construction contracts primarily for the development of residential property including the rehabilitation and conversion of existing properties.

The company is registered under the Companies Act 2006.

Business Review

New Living Homes is a 100% owned subsidiary of First Choice Homes Oldham Limited.

All costs incurred by New Living Homes are recharged to First Choice Homes Oldham. As at 31 March 2021, New Living Homes had a turnover of £7.183m (2020: £12.857m) and the company recorded a profit after interest and taxation of £0.131m (2020: £0.241m). A gift aid payment of £0.241m (2020: £0.352m) was made to First Choice Homes Oldham, the charitable parent.

In the past year, 76 homes were commenced on site along with 37 homes being completed despite the impact of the Covid 19 pandemic, which caused delays to contractors along with labour and material shortages. Currently all contractors are back on site and the delays have been built into the revised Business Plan.

Key performance and risks and uncertainties

Turnover and gross profit are the principal KPI's used by the directors to assess the performance of the business. The Company carries out its trading activity within the wider First Choice Homes Oldham Group Limited. Therefore, the principal risk is that this trading will cease.

The directors do not have any concerns and are in regular communication with the Group to assess this. Further details of the principal risks and uncertainties impacting the Group are provided in the the financial statements of First Choice Homes Oldham Limited.

NEW LIVING HOMES LIMITED
For the year ended 31 March 2021

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2021. The Company's principal activities, business review and risks and uncertainties are included in the Strategic Report on page 4.

Directors

Details of the directors are set out on page 3. The Board of New Living Homes Ltd Limited are appointed by the First Choice Homes Oldham Limited Board. All served throughout the year and to the date of this report unless otherwise stated.

Employees

The company has no employees (2020: Nil).

Political donations

The directors have made no political donations (2020: Nil).

Share Capital

There is 1 ordinary share capital, this is wholly owned by First Choice Homes Oldham.

Dividends

There are no dividends to be paid to directors (2020: Nil).

Statement of responsibilities of the directors

The directors are responsible for preparing 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;
- 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.

REPORT OF THE DIRECTORS (continued)
Statement of responsibilities of the directors (continued)

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern

New Living Home's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. As the company's trading activity is only with its parent company First Choice Homes Oldham Group Limited, any going concern implications are limited only to that organisation.

As part of its own review of going concern, First Choice Homes Oldham Group Limited has assessed its risks, including exposures arising from Covid-19 and the judgement of the Board is that it has a financially strong Business Plan, including mitigations which display resilience to respond to stress scenarios. This demonstrates that First Choice Homes Oldham Group Limited remains financially viable and is adopting the going concern basis in the financial statements even after considering reasonably worst case scenarios.

First Choice Homes Oldham received Investment and Development Committee approval to commence building 188 new build properties in 2021/22 and a further 782 new build properties by March 2026, and where appropriate this will be developed through New Living Homes.

These pipeline assumptions have been included in the business plan forecasts which results in surpluses being generated in 2021/22 and beyond and therefore the directors have prepared these accounts on a going concern basis which they believe is appropriate. This is because the approved business plan forecasts that surpluses will continue to be made in 2021/22 and beyond.

Auditors

The directors confirm that:

- So far as each of the directors is aware there is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

BDO LLP are NLH's current external auditors. The Group Board appointed BDO in December 2017 to provide NLH's external audit service for a further three-year contract period, with the option of an additional year commencing from the 2017/18 annual external audit. The optional additional year was exercised for the 2020/21 audit.

The report of the Board was approved on 3 September 2021 and signed on its behalf by:



Ged Lucas
Chair of the NLH Board



Juliet Craven
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NEW LIVING HOMES LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 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.

We have audited the financial statements of New Living Homes Limited ("the Company") for the year ended 31 March 2021 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 a summary of 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, 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 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.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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 Strategic report or the Report of the Directors.

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' exemptions in preparing the Report of the Directors.

Responsibilities of Directors

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Based on our understanding and accumulated knowledge of the Company, and the sector in which it operates, we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements or their continued operation. We also

INDEPENDENT AUDITOR'S REPORT (continued)

considered those significant laws and regulations that have a direct impact on the financial statements such as compliance with United Kingdom Generally Accepted Accounting Practice and the UK Companies Act 2006. All audit team members were briefed to ensure they were aware of any relevant regulations in relation to their work, areas of potential non-compliance and fraud risks.

We evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of an override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results, management bias and improper revenue recognition.

Our audit procedures in response to the risks identified above included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- procedures to test revenue including agreement of revenue recognised to supporting documentation and recalculation based on an expected markup of costs;
- identifying and testing journal entries identified as potentially unusual. This testing included, but was not limited to, any journal entries posted with specific keywords, journals posted by unexpected users, journals posted at unexpected times, and journals posted to least used accounts;
- discussions with, and inquiries of, management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- a review of board minutes both during the period, and post year end, for any known or suspected instances of non-compliance with laws and regulation and fraud;
- enquires to confirm with management that there was no legal correspondence during the period, or post year end, requiring review; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:

HELEN KNOWLES

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Helen Knowles (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester, UK

Date: 21 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

New Living Homes statement of comprehensive income

For the year ended 31 March 2021

	Note:	2021 £'000	2020 £'000
Turnover		7,183	12,857
Cost of sales		(7,043)	(12,605)
Gross Profit		<u>140</u>	<u>252</u>
Administrative expenses	2	(9)	(11)
Operating profit		<u>131</u>	<u>241</u>
Interest receivable and similar income	5	-	-
Interest payable and similar charges	4	-	-
Profit before taxation		<u>131</u>	<u>241</u>
Taxation on profit	6	-	-
Profit after taxation		<u>131</u>	<u>241</u>
Total comprehensive income for the period		<u><u>131</u></u>	<u><u>241</u></u>

All activities relate to continuing operations.

There are no recognised gains and losses other than the results for the period.

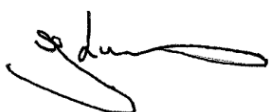
The notes on pages 13 to 17 form part of these financial statements.

New Living Homes statement of financial position

For the year ended 31 March 2021

	Note:	2021 £'000	2020 £'000
Current Assets			
Debtors	8	758	1,427
Cash and cash equivalents		844	262
		1,602	1,689
Creditors: amounts falling due within one year	9	(1,471)	(1,448)
Net current assets		131	241
Total net assets		131	241
Capital and reserves			
Income and expenditure reserve		131	241
Non-equity share capital		-	-
Total reserves		131	241

The financial statements were issued and approved by the Board of Directors on 3 September 2021 and were signed on its behalf by:



Ged Lucas
Chair of the NLH Board



Juliet Craven
Company Secretary

The notes on pages 13 to 17 form part of these financial statements.

New Living Homes statement of changes in reserves

For the year ended 31 March 2021

	Note:	Share Capital £'000	Income and expenditure reserve £'000	Total £'000
Balance as April 2019		-	352	352
Profit for the period		-	241	241
Other Comprehensive Income for the year		-	-	-
Gift Aid payment to parent charity	7	-	(352)	(352)
Balance as 31 March 2020		-	241	241
Profit for the period		-	131	131
Other Comprehensive Income for the year		-	-	-
Gift Aid payment to parent charity	7	-	(241)	(241)
Balance as 31 March 2021		-	131	131

The notes on pages 13 to 17 form part of these financial statements.

**notes to the financial statements for the year ended
for the 31 March 2021**

Note 1: Accounting Policies

Legal status

The Company is registered under the Companies Act 2006, is a Company limited by share capital and is incorporated in the United Kingdom.

Accounting policies

- ***Basis of preparation***

The preparation of financial statements in compliance with FRS102, the Financial Reporting Standard applicable in the United Kingdom & Republic of Ireland.

The following principal accounting policies have been applied:

- ***Going concern***

New Living Home's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. As the company's trading activity is only with its parent company First Choice Homes Oldham Group Limited, any going concern implications are limited only to that organisation.

As part of its own review of going concern, First Choice Homes Oldham Group Limited has assessed its risks, including exposures arising from Covid-19 and the judgement of the Board is that it has a financially strong Business Plan, including mitigations which display resilience to respond to stress scenarios. This demonstrates that First Choice Homes Oldham Group Limited remains financially viable and is adopting the going concern basis in the financial statements after considering reasonably worst case scenarios.

First Choice Homes Oldham received Investment and Development Committee approval to commence building 188 new build properties in 2021/22 and a further 782 new build properties by March 2026, and where appropriate this will be developed through New Living Homes.

These pipeline assumptions have been included in the business plan forecasts which results in surpluses being generated in 2021/22 and beyond and therefore the directors have prepared these accounts on a going concern basis which they believe is appropriate. This is because the approved business plan forecasts that surpluses will continue to be made in 2021/22 and beyond.

- ***Disclosure exemptions***

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The financial reporting standard applicable in the UK and Republic of Ireland;

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of First Choice Homes Oldham Limited as at 31 March 2021 and these financial statements may be obtained from their registered office at First Place, 22 Union Street, Oldham OL1 1BE.

**notes to the financial statements for the year ended
for the 31 March 2021**

Note 1: Accounting Policies (continued)

- ***Turnover***

Turnover represents design and build contract income, and other income which is recognised in relation to the period when the goods or services have been supplied.

Design & Build income is recognised when an instruction letter is received from the customer.

- ***Short-term debtors and creditors***

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in other operating expenses.

- ***Judgements in applying accounting policies and key sources of estimation uncertainty***

Management do not consider there to be any significant judgements or estimation uncertainty due to straightforward nature of the company's operations.

- ***Taxation***

Taxation for the year comprises of current tax, current tax is recognised in the for the amount of income 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 by the Statement of Financial Position date.

**notes to the financial statements for the year ended
for the 31 March 2021**

Note 2: Operating profit

	2021	2020
	£'000	£'000
The operating profit is stated after charging:		
Auditor's remuneration:		
Amounts paid to BDO LLP (excluding VAT):		
In their capacity as auditors	6	6
Fees for other non-audit services	3	5
	6	5

Note 3: Directors remuneration

	2021	2020
	£'000	£'000
Director's remuneration	-	-
	-	-

Note 4: Interest payable and similar charges

	2021	2020
	£'000	£'000
Interest payable and similar charges	-	-
	-	-

Note 5: Interest receivable and similar income

	2021	2020
	£'000	£'000
Interest receivable and similar income	-	-
	-	-

**notes to the financial statements for the year ended
for the 31 March 2021**

Note 6: Corporation Tax

	2021	2020
	£'000	£'000
Analysis of the charge in the period		
UK Corporation tax charge for the period	-	-
Adjustments in respect of prior years	-	-
Total current tax charge for the period	-	-
Tax Reconciliation	2021	2020
	£'000	£'000
Profit on ordinary activities before tax	131	241
Tax at UK corporation tax rate 19%	25	46
Qualifying charitable donation to parent of taxable profits	(25)	(46)
Taxation Charge	-	-

New Living Homes Limited's operating profit consists of inter-group recharges at third party rates. Any profits will be gift aided to First Choice Homes Oldham Limited within 9 months of the year-end and group relief will be obtained from First Choice Homes Oldham undertaking therefore no corporation tax will be incurred.

Note 7: Gift Aid

	2021	2020
	£'000	£'000
Proposed Gift Aid to be paid in accordance with s339 7AA) of the Income and Corporation Taxes Act 1988	241	352

A gift aid payment of £0.241m (2020: £0.352m) to First Choice Homes Oldham Limited was paid on 04 September 2020 in respect of the year ended 31 March 2020. This payment was approved by the Board on 31 July 2020. Gift aid has been shown as a movement in the Statement of Changes in Reserves.

**notes to the financial statements for the year ended
for the 31 March 2021**

Note 8: Debtors

	2021	2020
	£'000	£'000
Due within one year		
Amounts owed by group undertaking	742	1,412
Prepayments & accrued income	-	-
Other taxes and social security	16	15
Other debtors	-	-
Total due within one year	<u>758</u>	<u>1,427</u>
Due after more than one year	-	-
Total debtors	<u><u>758</u></u>	<u><u>1,427</u></u>

Note 9: Creditors

	2021	2020
	£'000	£'000
Due within one year		
Trade creditors	336	383
Amounts owed to group undertaking	-	-
Corporation tax	-	-
Accruals and deferred income	374	396
Other creditors	761	669
Total due within one year	<u>1,471</u>	<u>1,448</u>
Due after more than one year	-	-
Total creditors	<u><u>1,471</u></u>	<u><u>1,448</u></u>

**notes to the financial statements to the year ended
for the 31 March 2021**

Note 10: Share capital

	2021	2020
	£	£
Authorised Share Capital		
1 ordinary share of £1	1	1
Allotted, Called Up and fully paid shares	No.	No.
Ordinary shares	1	1

This share is held by the parent company First Choice Homes Oldham.

Note 11: Related party transaction

The Company has taken advantage of the exemption available not to disclose transactions between group companies on the basis that it is included in the consolidated accounts of First Choice Homes Oldham Limited.

Note 12: Ultimate controlling party

The ultimate controlling party of the company is First Choice Homes Oldham, which is a registered provider of social housing registered under the Co-operative and Community Benefit Societies Act 2014. The immediate parent company of New Living Homes Limited is First Choice Homes Oldham.

New Living Homes Limited is a company limited by guarantee and has no loans with any member of the group.

The consolidated accounts of First Choice Homes Oldham can be obtained from First Place, 22 Union Street, Oldham OL1 1BE, or available on its website at <https://www.fcho.co.uk/>