

Registered Number: 07930319

FIRST WESSEX HOMES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

FIRST WESSEX HOMES LIMITED

COMPANY INFORMATION

Directors	Ann Beeching Allen Smith	
Company Secretary	Patrick Symington	
Company Number	07930319	
Registered Office	Peninsular House Wharf Road Portsmouth Hampshire PO2 8HB	
Auditors	External Auditors Nexia Smith & Williamson 18 – 21 Kings Park Road, Southampton, SO15 2AT	Internal Auditors PricewaterhouseCoopers LLP 3 Ocean Way, Ocean Village, Southampton, SO14 3TJ
Bankers	Royal Bank of Scotland 3 Hampshire Corporate Park Templars Way, Chandlers Ford Hampshire SO53 3RY	
Accountancy & Tax Advisors	Smith & Williamson LLP Chartered Accountants 18 – 21 Kings Park Road Southampton SO15 2AT	
VAT Advisors	Deloitte LLP Imperium, Imperium Way, Reading, RG2 0TD	
Solicitors	Capsticks LLP Staple House Staple Gardens Winchester Hampshire, SO23 8SR	
	Winckworth Sherwood Minerva House 5 Montague Close London, SE1 9BB	

FIRST WESSEX HOMES LIMITED

CONTENTS

	Page
Directors' Report	1
Independent Auditors' Report	3
Statement of Comprehensive Income	5
Statement of Changes in Reserves	5
Statement of Financial Position	6
Cash Flow Statement	7
Notes to the Financial Statements	8

FIRST WESSEX HOMES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

First Wessex Homes Limited has been set up to provide a building contracting service primarily for the delivery of new build homes for First Wessex. The mission of First Wessex Homes is to deliver quality homes at the right price.

The primary customer will be First Wessex, a Registered Provider of social housing. First Wessex is contracted with the Homes and Communities Agency (HCA) to deliver 699 affordable homes by 2017. First Wessex will be engaging the services of First Wessex Homes Limited to construct a proportion of these homes. First Wessex Homes will also develop homes for open market sale.

RESULTS

The Board considers that the Company has performed satisfactorily in the financial year.

The profit for the year on ordinary activities after taxation was £512,000.

DIRECTORS

The directors who served during the year were:

Mrs M A Beeching
Mr A Smith

DIRECTORS' RESPONSIBILITY STATEMENT

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 judgments 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.

FIRST WESSEX HOMES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

PROVISION OF INFORMATION TO AUDITORS

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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'AS', is written over a horizontal dotted line. The signature is fluid and extends to the right.

Allen Smith

Date: 21st July 2016

FIRST WESSEX HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FIRST WESSEX HOMES LIMITED FOR THE YEAR ENDED 31 MARCH 2016



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST WESSEX HOMES LIMITED

We have audited the financial statements of First Wessex Homes Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable to the UK and Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

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

FIRST WESSEX HOMES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
FIRST WESSEX HOMES LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Julie Mutton

Julie Mutton (Senior Statutory Auditor),
for and on behalf of
Nexia Smith & Williamson

Chartered Accountants & Statutory Auditor
Imperial House
18-21 Kings Park Road
Southampton
SO15 2AT

Date: 26/7/16

FIRST WESSEX HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Notes	£'000	£'000
Sales	1	10,282	6,032
Cost of sales		(9,643)	(5,979)
Gross Profit		639	53
Administrative expenses	2	(13)	(21)
Operating Profit		626	32
Interest receivable and similar income		10	-
Profit on ordinary activities before taxation		636	32
Tax on profit on ordinary activities	4	(124)	(27)
Profit for the financial year		512	5
Other gains/(losses)		-	-
Total Comprehensive Income for the year		512	5

All of the company's activities relate to continuing operations.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2016


	2016	2015
	£'000	£'000
Revenue reserve		
Balance brought forward from the previous year	(63)	(68)
Total comprehensive income for the year	512	5
Balance carried forward	449	(63)

FIRST WESSEX HOMES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
Fixed Assets	5	184	148
Current Assets			
Debtors	6	1,187	1,852
Cash at bank		3,813	151
		<u>5,000</u>	<u>2,003</u>
Creditors: amounts falling due within one year	7	<u>(4,702)</u>	<u>(2,187)</u>
Net current assets/(liabilities)		298	(184)
Deferred tax liability	8	(33)	(27)
Net assets/(Liabilities)		<u>449</u>	<u>(63)</u>
Capital and Reserves:			
Called up share capital	9	-	-
Profit and loss account		449	(63)
Shareholders' Funds		<u>449</u>	<u>(63)</u>

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


Allen Smith

Date: 21st July 2016

The notes on pages 8 to 12 form part of these financial statements.

FIRST WESSEX HOMES LIMITED

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2016	2015
	£'000	£'000
Operating profit	626	32
Depreciation on fixed assets	16	3
Decrease/(Increase) in debtors	665	(1,543)
(Decrease)/Increase in creditors	2,397	1,817
Net cash inflow from operating activities	<u>3,704</u>	<u>309</u>
Returns on investments and servicing of finance		
Interest received	10	-
Interest paid	-	-
Net cash outflow from returns on investments and servicing of finance	<u>3,714</u>	<u>309</u>
Capital expenditure		
Cash paid for purchase of other fixed assets	(52)	(151)
Net cash movement	<u>3,662</u>	<u>158</u>
Opening cash and cash equivalents at beginning of period	151	(7)
Closing cash and cash equivalents at end of period	<u>3,813</u>	<u>151</u>

FIRST WESSEX HOMES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.1 Basis of preparation of accounts

The financial statements have been prepared in compliance with FRS102.

The company is incorporated in England.

1.2 Going concern

The company made a profit for the year and has net current assets of £298k. The directors have considered future cash flows for the company and consider it appropriate to prepare the accounts on the going concern basis.

1.3 Turnover

Turnover comprises revenue earned under contracts excluding VAT. Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under these contracts, or incomplete contracts, an assessment is made of the extent to which revenue has been earned. This assessment takes into account the nature of the assignment, its stage of completion and relevant contract terms.

1.4 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

a) Useful economic lives

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

b) Profit recognition

Contracts are assessed for profit when the project has reached 80% completion with profit taken when a site is at least 80% complete and when the forecast position is certain, any forecast loss is taken as soon as it is known.

1.5 Fixed assets

a) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation used are as follows:

Type of asset	Depreciation rate
Furniture, equipment, fixtures and fittings	10% to 33.3% per annum
Plant and Equipment	20%

1.5 Reserves

Revenue – contains all historic surpluses and deficits to date.

FIRST WESSEX HOMES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

1 Accounting policies (continued)

1.6 Long term contracts

Profit is recognised on long term contracts if the final outcome can be recognised with reasonable certainty by including in the profit and loss account turnover and related costs as contract activity progresses. Full provision is made for loss-making contracts.

1.7 Rentals under operating leases

Rentals under operating leases are charged to the income and expenditure accounts as incurred.

1.8 Deferred tax

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2. Profit/loss on ordinary activities before taxation

	2016	2015
	£'000	£'000
Profit/loss on ordinary activities before taxation is stated after charging:		
Depreciation	16	3
<u>External auditors' remuneration (incl. VAT):</u>		
In their capacity as auditors	7	5

3. Employees

Directors received remuneration of £4,269 (2015: Nil) for services to company for the year.

No Directors received any pension contributions. The Key management personnel of the company is the Board of Directors.

	2016	2015
	£'000	£'000
Employee costs		
Salaries	881	474
Social Security costs of employees	104	54
Pension costs of employees	26	15
	<u>1,011</u>	<u>543</u>

Average number of employees, including directors, were: 22 (2015: 10).

FIRST WESSEX HOMES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)****4. Tax on surplus/deficit on ordinary activities**

	2016	2015
	£'000	£'000
Taxation charge for the year		
Corporation tax charge for the year	(118)	-
Deferred tax	(6)	(27)
Total taxation charge for the year	<u>(124)</u>	<u>(27)</u>

The tax assessed for the period is lower than that resulting from applying the standard 20% rate of corporation tax in the UK (2015: 21%). The differences are explained below:

	2016	2015
	£'000	£'000
Profit/(Loss) for the year	<u>636</u>	<u>32</u>
Profit/(Loss) multiplied by effective tax rate of 20% (2015: 21%)	127	7
Group relief surrendered	-	24
Capital allowances in excess of depreciation	(7)	(31)
Effect of tax rate change on opening balance	4	-
Current tax charge	<u>124</u>	<u>-</u>

5. Fixed Assets

	2016	2015
	£'000	£'000
Plant and Equipment		
Cost		
Balance at 1 April 2015	151	-
Additions in the year	<u>52</u>	<u>151</u>
Balance at 31 March 2016	<u>203</u>	<u>151</u>
Depreciation		
Balance at 1 April 2015	3	-
Charge for the year	<u>16</u>	<u>3</u>
Balance at 31 March 2016	<u>19</u>	<u>3</u>
Net Book Value at 31 March	<u>184</u>	<u>148</u>

FIRST WESSEX HOMES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**

6. Debtors	2016	2015
	£'000	£'000
Amounts recoverable on contracts	208	189
Amounts owed by group undertakings	824	1,590
VAT refundable	148	64
Prepayments	7	9
	<u>1,187</u>	<u>1,852</u>
7. Creditors: Amounts falling due within one year	2016	2015
	£'000	£'000
Trade creditors	539	140
Amounts owed to group undertakings	35	93
Payments on account in respect of long term contracts	2,944	110
Bank overdraft	-	-
Taxation and social security	30	22
Corporation tax	118	-
Accruals and deferred income	1,036	1,822
	<u>4,702</u>	<u>2,187</u>
8. Deferred taxation	2016	2015
	£'000	£'000
Accelerated capital allowances	27	29
Tax losses carried forward and other deductions	6	(2)
Total deferred tax liability	<u>33</u>	<u>27</u>
9. Share capital	2016	2015
	£	£
Shares of £1 each	<u>1</u>	<u>1</u>

FIRST WESSEX HOMES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

10. Commitments under operating leases

2016	2015
£'000	£'000

At 31 March the Company had annual commitments under operating leases as follows:

Land and buildings

Leases which expire within two to five years.

-	-
-	-
<u>-</u>	<u>-</u>

11. Related party transactions

The Company has taken advantage of the exemption contained in FRS102 section 33.11 from reporting related party transactions with intergroup entities. The key management personnel of the company are the Directors and details are disclosed in note 3.

The group accounts are prepared by First Wessex and a copy of the accounts can be obtained at the registered office, Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB.

12. Controlling party

At 31 March 2016, the immediate and ultimate controlling party was First Wessex.

13. Transition to FRS 102

The Company has adopted FRS102 for the year ended 2016. There were no adjustments to the comparative prior year.

