



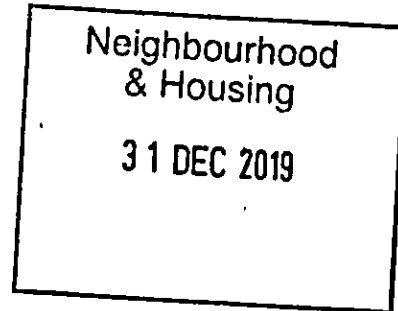
Companies House

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NORTH DOWNS HOUSING LIMITED
C/O P.O'DWYER MILLMEAD HOUSE
MILLMEAD
GUILDFORD
ENGLAND
GU2 4BB



Your Ref
Our Ref AA/10153122/LW
Date 27/12/2019

Dear Sir/Madam

NORTH DOWNS HOUSING LIMITED

Thank you for your enclosed document. Unfortunately, we have been unable to accept it for the following reason(s):

The name of the signatory is not present on the Directors' Report. Please print the name of the person who signed the Directors' Report.

The printed name of the director who signed the accounts on behalf of the board must be included on the balance sheet.

To avoid a late filing penalty, acceptable accounts must be received at Companies House by 31/12/2019. Please submit acceptable accounts without delay.

Find out if your company can file online, which is faster and more reliable, by visiting the forms page at <https://www.gov.uk/topic/company-registration-filing/forms>

Yours faithfully

Companies House

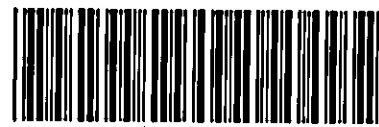
6/1/2020 : Amendment made + sent.

Registration number: 10153122



NORTH DOWNS HOUSING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2019

FRIDAY



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LD6 20/12/2019 #223
COMPANIES HOUSE

NORTH DOWNS HOUSING LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH
2019**

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NORTH DOWNS HOUSING LIMITED

COMPANY INFORMATION

Directors: **S K Creedy**
 M G F Parsons
 S Reekie
 G A Jackson

Company Secretary: **Quorum Secretaries Limited**

Registered Office: **Millmead House**
 Millmead
 Guildford
 Surrey
 GU2 4BB

Registered Number: **10153122**

NORTH DOWNS HOUSING LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31ST MARCH 2019

Directors' Report

The Directors present their report with the financial statements for the period ended 31st March 2019. This is the Company's third annual report and financial statements.

Principal Activities

North Downs Housing Ltd was established in 2016 to deliver on the following objectives:

- to meet in such a manner as the Company thinks fit, identified housing need and increase the provision of new housing in the Guildford borough and surrounding areas;
- to generate returns for the Council's General Fund;
- to accelerate development of brownfield land in the Guildford borough;
- to carry on any other business or do such other things which may seem to the company capable of being conveniently carried on in connection with any of the above specified objectives, or calculated to enhance the value of the Company's services, assets, property or rights.

In pursuance of the above objectives, the Company acquired 11 residential properties in the period to 31st March 2019, bringing the total number of residential properties owned to 26. At the reporting date 21 of the properties were let on the open market in accordance with the Company's stated policies.

Directors

The Directors, who have held office during the year, are as follows:

Name	Date of Appointment	Date of resignation
S K Creedy	28 th April 2016	N/A
G A Jackson	28 th April 2016	30 th August 2018
G A Jackson	25 th June 2019	N/A
N Manning	28 th April 2016	30 th August 2018
M G F Parsons	30 th August 2018	N/A
S Reekie	28 th April 2016	N/A
C A Reeves	30 th August 2018	25 th June 2019

Company Secretary	Date of Appointment
Quorum Secretaries Limited	1 st February 2017

Statement of Going Concern

The Company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of exposure to liquidity and cash flows have been considered by the Directors.

NORTH DOWNS HOUSING LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST MARCH 2019

The Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

The directors have elected to prepare the accounts, as permitted by the Companies Act 2006, in accordance with United Kingdom Generally Accepted Accounting Practice (UK accounting standards and applicable law). Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and 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 the accounts 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.

This report was approved by the Board on 17th December 2019.

Small Company Provisions

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

By order of the Board:



Michael Parsons - Director

Date: 18/12/2019

NORTH DOWNS HOUSING LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST MARCH 2019

Basis of Preparation

These financial statements have been prepared on the going concern basis and in accordance with section 1A of FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland, Small Entities), section 396 of the Companies Act 2006 and The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008. The Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company for the reporting period and are presented in Pounds Sterling.

North Downs Housing Ltd is a private limited company incorporated in England and Wales, and is a wholly owned subsidiary of Guildford Borough Council Holdings Limited. The Company's ultimate parent is Guildford Borough Council, which is required to prepare accounts in accordance with IFRS adapted for the UK public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

1. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the financial statements.

Accrual Accounting

Activity is accounted for in the year that it takes place and when a right to consideration exists, not simply when cash payments are made or received.

Expenditure

- Expenditure is debited to the relevant expenses account, unless it properly represents capital expenditure.
- Where payments are made in advance of a service being received, a payment in advance is recognised as a debtor in the balance sheet.
- Interest payable on borrowings is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows determined by the contract.
- Where expenditure has been recognised but cash has not been paid, a creditor for the relevant amount is recorded in the balance sheet.

Income

- Fees, charges and rents due from customers are accounted for as income at the date the Company provides the relevant goods or services.
- Revenue is measured at the fair value of the consideration received or receivable and recognised when prescribed conditions are met.
- Where income has been recognised but cash has not been received, a debtor for the relevant amount is recorded in the balance sheet.
- Where payments are received in advance of a service being provided a receipt in advance is recognised as a creditor in the balance sheet.

NORTH DOWNS HOUSING LIMITED

2. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of less than 24 hours.

3. Fixed Asset Investments

Investment property is initially measured at cost plus directly attributable expenditure. Directly attributable expenditure includes professional fees for legal services, property transfer taxes and other transaction costs.

After initial recognition, investment property is measured at fair value in accordance with Section 16 of FRS102. Valuations have been carried out by independent valuers, Bruton Knowles, on properties acquired prior to 1st April 2018. Properties acquired during the reporting period are measured at cost plus directly attributable expenditure. The fair value has been provided for each property by having regard to the investment potential of each property relative to market rent, reflecting the tenanted status and current leases, cash flows and reasonable assumptions about the future rental income or outgoings.

Note 2 provides further details on the valuation of the company's investment property.

4. Financial Instruments

Financial Liabilities

Financial liabilities are initially measured at the transaction price. For loans received at the market rate of interest, this is the amount of cash received less separately incurred transaction costs. For goods and services purchased from a supplier on short-term credit, a payable is recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Loans are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the loan shown in notes five and six, this means that the amount presented in the balance sheet is the outstanding principal repayable and interest charged to the profit and loss account is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are initially measured at the transaction price. For goods or services provided to a customer on short-term credit, or similar, a receivable is recognised at the undiscounted amount of cash receivable from that customer, which is normally the invoice price. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

5. Overheads and Support Services

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

6. VAT

VAT payable is included as an expense. The short-term rental of residential properties is exempt from VAT.

7. Corporation Tax

Corporation tax is accounted for in the profit and loss account on an accrued basis using an estimate of the corporate tax liability or asset for the year. Any losses are to be offset against future profits.

NORTH DOWNS HOUSING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST MARCH 2019

	Notes	2018-19 £	2017-18 £
Turnover		193,318	59,895
Cost of sales		(161,673)	(106,213)
Gross profit or (loss)		<u>31,645</u>	<u>(46,318)</u>
Distribution costs		0	0
Administrative expenses		(8,704)	(7,110)
Operating profit		<u>22,941</u>	<u>(53,428)</u>
Other operating income		3,717	115
Gain on disposal of freehold property		0	0
Unrealised gain or (loss) on revaluation of investment property	2	(618,051)	0
Other Interest receivable		0	0
Interest payable and similar charges	1	(196,985)	(92,014)
Profit or (loss) before tax		<u>(788,377)</u>	<u>(145,327)</u>
Tax on profit or loss on ordinary activities		149,721	27,608
Profit or (loss) for the financial year		<u>(638,586)</u>	<u>(117,719)</u>

NORTH DOWNS HOUSING LIMITED

BALANCE SHEET

FOR THE PERIOD ENDED 31ST MARCH 2019

	Notes	2018-19 £	2017-18 £
Fixed assets			
Investments	2	<u>7,182,628</u>	<u>4,420,351</u>
		7,182,628	4,420,351
Current assets			
Trade debtors	3	15,342	2,200
Other debtors		210,298	31,985
Cash at bank and in hand		15,584	77,612
		241,154	111,797
Creditors: amounts falling due within one year			
Trade creditors	4	(200,125)	(67,570)
Net current assets		41,099	44,227
Total assets less current liabilities		7,223,727	4,464,578
Creditors: amounts falling due after more than one year			
Bank loans and overdrafts	5, 6	<u>(4,913,732)</u>	<u>(2,796,397)</u>
		2,309,995	1,668,181
Capital and reserves			
Called up share capital: Allotted ordinary £1 shares	7	3,080,380	1,799,980
Profit and loss account		<u>(770,385)</u>	<u>(131,799)</u>
		2,309,995	1,668,181

NORTH DOWNS HOUSING LIMITED

For the period ended 31st March 2019, the company has an exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime of the Companies Act 2006.

The financial statements were approved by the Board of directors on 17th December 2019 and were signed on its behalf by:

Date: 18/12/2019

- Director
Michael Parsons

Michael Parsons - Director

NORTH DOWNS HOUSING LIMITED
NOTES TO THE FINACIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2019

1. Interest payable and similar charges

	2018-19	2017-18
Interest payable	196,735	91,775
Bank charges	250	239
	<u>196,985</u>	<u>92,014</u>

2. Fixed Asset Investments

	Investment Property £	Other Investments £	Total £
Fair value			
At 1 April 2018	4,420,351	0	4,420,351
Additions	3,380,328	0	3,380,328
Revaluation	(618,051)	0	(618,051)
At 31 March 2019	7,182,628	0	7,182,628
Provisions			
At 1 April 2018	0	0	0
At 31 March 2019	0	0	0
Net book value			
At 1 April 2018	4,420,351	0	4,420,351
At 31 March 2019	7,182,628	0	7,182,628

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. North Downs Housing Ltd is responsible for the repair and maintenance requirements of all investment properties.

Properties acquired prior to 1st April 2018 were valued during December 2018. The fair value of these properties at 31st March 2018 was £4,420,351, reflecting the purchase price plus transaction costs as required under section 16 of FRS102. Transaction costs include legal fees, property transfer taxes and land registry charges. Total transaction costs relating to revalued investment property were £214,800.

The independent valuation provided by Bruton Knowles, reflecting the tenanted status of the properties, was £3,802,300, a reduction of £618,051 against the initial cost valuation. It should be

the acquisition of investment property.

3. Debtors

	2018-19	2017-18
	£	£
Trade debtors	15,342	2,200
Other debtors:		
Deferred taxation	180,701	30,909
Prepayments and accrued income	29,597	1,076
	<u>225,640</u>	<u>34,185</u>

4. Creditors: amounts falling due within one year

	2018-19	2017-18
	£	£
Bank loans and overdrafts: secured	0	0
Trade creditors	200,125	67,570
Corporation tax	0	0
Other creditors	0	0
Accruals and deferred income	0	0
	<u>200,125</u>	<u>67,750</u>

The 'Trade Creditors' total includes £62,240 payable to a related party, Guildford Borough Council, for services provided in the period to 31st March 2018 (this amount was settled in 2019-20) and £112,265 for services provided in the period to 31st March 2019.

5. Amounts repayable after more than one year

	2018-19	2017-18
	£	£
Loan repayable in instalments	<u>4,913,732</u>	<u>2,796,397</u>

6. Secured borrowings

	2018-19	2017-18
	£	£
Loan: secured on the property and other assets of the Company	<u>4,913,732</u>	<u>2,796,397</u>

7. Share Capital

	2018-19	2017-18
	<u>£</u>	<u>£</u>
£1 Ordinary shares allotted during the period	<u>1,280,400</u>	<u>839,980</u>

1,280,400 shares were allotted during the period to 31st March 2019 at a nominal value of £1.00. Total shares in issue at 31st March are 3,080,380. All shares have a nominal value of £1.00.

8. Employee numbers

	2018-19	2017-18
The average number of persons employed by the company was	0	0

North Downs Housing Ltd does not directly employ any staff. A services agreement is in place between the North Downs Housing Ltd and Guildford Borough Council to provide tenancy management, property acquisition, finance and legal services.

9. Related Party Disclosures

Immediate Parent

The Directors of the Company regard Guildford Borough Council Holdings Limited as the immediate parent.

Ultimate Parent

The Directors of the Company regard Guildford Borough Council, a local authority in England and Wales, as the ultimate parent of the Company. The address of the Council's principal place of operations is Guildford Borough Council, Millmead House, Millmead, Guildford, Surrey GU24BB.

Related party transactions

A summary of the Company's transactions with Guildford Borough Council and other companies controlled by Guildford Borough Council is outlined below:

- Under a services agreement, Guildford Borough Council provides support services to North Downs Housing Ltd, these are included in administration costs. Amounts owed to Guildford Borough Council in respect of these services are included in trade creditors (note 4).
- Guildford Borough Council has provided loan finance to North Downs Housing of £4,913,732, including accrued interest (notes 5 and 6). Interest on the loan is included within 'Interest payable and similar charges' (note 1).
- North Downs Housing Ltd is 100% owned by Guildford Borough Council Holdings Ltd. Up to the period to 31st March 2019, Guildford Borough Council Holdings Ltd. acquired 1,280,400 £1.00 ordinary shares in the Company, bringing the total number of £1.00 ordinary

10. Events arising after the reporting date

No significant events arose after the reporting date that require disclosure in the accounts.