

**ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)**

FINANCIAL STATEMENTS

**FOR THE PERIOD 2 JULY 2009 to 31 MARCH
2010**



Building Brighter Futures...

for people and communities



ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

CONTENTS

	PAGE
Executive Officers and Auditors	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditors' Report	5
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9 - 13

**Company Registration
Number 06950748**

ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

EXECUTIVE OFFICERS AND AUDITORS

DIRECTORS

The following are all Directors of the Company and have served throughout the period unless otherwise shown:

Name		Appointed
Richard Reynolds	Non Executive Director/Chair	05/08/2009
Michael Marron	Non Executive Director/Deputy Chair	05/08/2009
Rosemary Hyde	Non Executive Director	05/08/2009
Devendra Ghandi	Non Executive Director	14/10/2009
Neil Topping	Non Executive Director	14/10/2009
Trevor Sawyer	Non Executive Director	14/10/2009
Paul Tennant	Executive Director	02/07/2009
Paul High	Executive Director	02/07/2009
Richard Wright	Company Secretary	02/07/2009

EXECUTIVE OFFICERS

The Company does not directly employ any staff. The Executive Officers and staff of the parent association provide services to Orbit Homes (2020) Limited through a Service Agreement. The Executive Officers of Orbit Group Limited, the parent association, are listed in their financial statements. The Directors benefit from insurance indemnifying them against legal claims from third parties.

AUDITORS

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

REGISTERED OFFICE

Garden Court
Harry Weston Road
Binley Business Park
Coventry, West Midlands, CV3 2SU

PRINCIPAL SOLICITORS

Trowers & Hamblins
Sceptre Court
40 Tower Hill
London, EC3N 4DX

ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Company, and the audited financial statements for the period 2 July 2009 to 31 March 2010.

Company Formation

The company was formed on 2 July 2009 under the name of Ellipse Homes Limited. The company name was subsequently changed to Orbit Homes (2020) Limited on 20 August 2009.

Principal Activities

The principal activities of the Company comprise the provision of a design and build service to members of the Orbit Group and development of homes for sale within the UK.

Review of Developments and Future Prospects

Business Review

In the period to 31 March 2010, the Company made a loss before tax of £188k, which primarily comprises the set up costs of the company.

Funding is provided by means of two loan facilities from Orbit Group Limited, the parent company.

From 1 April 2010, the company took over the development of all homes within the Orbit Group. Staff providing these services are employed by Orbit Group Limited, and services are supplied under a service level agreement.

Treasury Policy

The Board recognises that its high degree of debt makes it important to consider its treasury policy. The treasury function operates within a framework of clearly defined Group Board approved policies, procedures and delegated authorities. The fundamental principle underlying the Company's approach is to treat treasury activities as a means of controlling risk rather than for profit generation. For Orbit Homes (2020) Limited this involves minimising loans drawn, cash held at bank and investing surplus cash in short-term cash deposits.

Results and Dividends

The loss for the period was £188k. The Directors do not recommend payment of a Dividend.

Directors and their Shareholdings

The Directors who served during the period are shown on page 2. The Company is a wholly owned subsidiary of Orbit Group Limited. None of the Directors held any interest in the shares of the Company.

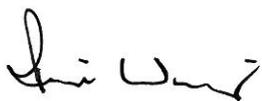
Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to re-appoint KPMG LLP as the Company's auditor for external audit services will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed behalf of the Board:



Richard Wright
Company Secretary
10 August 2010

ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' responsibilities

United Kingdom Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 proper accounting records which 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 AUDITORS' REPORT TO THE MEMBERS OF ORBIT HOMES (2020) LIMITED

We have audited the financial statements of Orbit Homes (2020) Limited for the year ended 31 March 2010 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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 auditors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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.

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.



22 September 2010

M A McDonagh
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham, B4 6GH

ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

PROFIT AND LOSS ACCOUNT
For the Period 2 July 2009 to 31 March 2010

	NOTES	2010 £'000
Turnover		-
Cost of Sales		<u>(183)</u>
Operating Loss	3	(183)
Interest Receivable		1
Interest Payable		<u>(6)</u>
Loss on Ordinary Activities before taxation		(188)
Taxation	4	<u>-</u>
Loss for the Financial Period		<u>(188)</u>
Revenue Reserves at 31 March	15	<u>(188)</u>

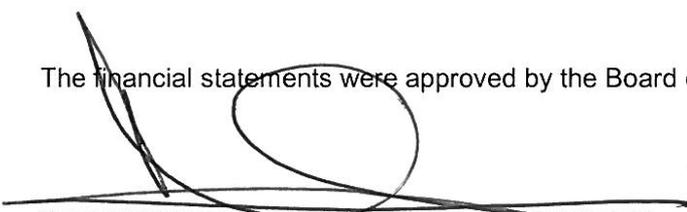
All activities derive from continuing operations. There are no recognised gains and losses. Accordingly, no statement of total recognised gains and losses is given.

ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

BALANCE SHEET
At 31 March 2010

	NOTES	2010	
		£'000	£'000
Tangible Fixed Assets			
Fixed Assets	5		9
Current Assets			
Stock	6	10,652	
Debtors	7	1,709	
Cash at Bank and in Hand		247	
		<u>12,608</u>	
Creditors: Amounts falling due within one year	8	<u>(9,797)</u>	
NET CURRENT ASSETS			2,811
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,820</u>
Creditors: Amounts falling due after more than one year	9		(3,008)
NET ASSETS			<u>(188)</u>
Capital and Reserves			
Called up Share Capital	10		-
Profit and Loss Reserve	15		<u>(188)</u>
			<u>(188)</u>

The financial statements were approved by the Board of Directors on 10 August 2010 and signed on its behalf by:



Richard Reynolds
CHAIR

Company Registration
Number 06950748

ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

CASH FLOW STATEMENT
For the Period 2 July 2009 to 31 March 2010

	2010
	£'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES (Note 12)	(1,849)
Returns on Investments and Servicing of Finance	
Interest Received	1
Interest Paid	<u>(6)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(5)
Capital Expenditure and Financial Investment	
Acquisition of Land and Construction of Housing Properties	(3,840)
Purchase of Other Fixed Assets	<u>(9)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT ACTIVITIES	(3,849)
NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(5,703)
Management of Liquid Resources and Financing	
Loans Received	<u>5,950</u>
NET CASH INFLOW FROM MANAGEMENT OF LIQUID RESOURCES AND FINANCING	5,950
INCREASE IN CASH (Note 14)	<u>247</u>

ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the Period 2 July 2009 to 31 March 2010

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

The Directors have prepared trading and cash flow forecasts for the Company. These forecasts show that the Company has sufficient financial resources to meet its obligations as they fall due from the date that these financial statements were approved.

Stock and Work in Progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes land, build costs, applicable overheads and interest. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate. Interest on borrowings incurred during the development period is capitalised.

Turnover

Turnover represents amounts receivable for the sale of land and properties, net of VAT and other sales related taxes. All turnover arises in the UK only.

Taxation

Current tax, including UK Corporation Tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current taxes and law. Timing differences arise from inclusion of items of income and expenditure in tax computations different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

Going Concern

The financial statements are prepared on a going concern basis.

Accordingly, after considering the forecast, appropriate sensitivities, current trading and available facilities, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have concluded that the going concern basis of preparation is appropriate to enable the company to continue trading for at least one year from the date of signing these financial statements.

2 DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

The Executive Directors are employed by Orbit Group Limited.

	2010 £'000
Aggregate emoluments paid to or received by Directors who are not executive staff members including salaries, honoraria and other benefits	<u>8</u>
Emoluments of the highest paid Director included in aggregate emoluments of Directors who are not executive staff members	<u>2</u>

ORBIT HOMES (2020) LIMITED
(Formerly Ellipse Homes Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the Period 2 July 2009 to 31 March 2010

3 OPERATING LOSS

	2010
	£'000
Operating Loss is stated after charging	
Auditors' remuneration:	
- In their Capacity as Auditors	12
- In Respect of Other Services	-

4 TAXATION

The current tax charge for the period is lower than the standard rate of Corporation Tax in the UK of 28%. The differences are explained below:

	2010
	£'000
Profit on ordinary activities before tax	<u>(188)</u>
Tax due at 28% thereon	(53)
Losses Carried Forward	<u>53</u>
Current tax charge for period	<u>-</u>

5 FIXED ASSETS

	Furniture Fixtures & Equipment £'000	Total £'000
COST		
Additions	<u>9</u>	<u>9</u>
At 31 March 2010	<u>9</u>	<u>9</u>
NET BOOK AMOUNT		
At 31 March 2010	<u>9</u>	<u>9</u>

6 STOCKS

	2010
	£'000
Work in Progress	<u>10,652</u>

ORBIT HOMES (2020) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the Period 2 July 2009 to 31 March 2010

7 DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	2010 £'000
Other Debtors	<u>1,709</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000
Trade Creditors	804
Amounts Due to Subsidiaries	3,038
Loans	5,950
Accruals and Deferred Income	5
	<u>9,797</u>

9 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £'000
Amounts Due to Subsidiaries	<u>3,008</u>

10 CALLED UP SHARE CAPITAL

	2010 £
Authorised ordinary shares of £1 each	<u>2</u>
Issued and fully paid ordinary shares of £1 each	<u>2</u>

The Company is a wholly owned subsidiary of Orbit Group Limited.

11 CAPITAL COMMITMENTS

	2010 £'000
Capital Expenditure which has been contracted for but has not been provided for in the financial statements	<u>17,184</u>
Capital Expenditure which has been authorised under authority from the Board of Directors but has yet to be contracted for at 31 March 2010	<u>27,554</u>

ORBIT HOMES (2020) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the Period 2 July 2009 to 31 March 2010

12 RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2010
	£'000
Operating Loss	(183)
(Increase) in Debtors	(1,709)
Increase in Creditors	43
	<hr/>
Net Cash Outflow from Operating Activities	(1,849)
	<hr/> <hr/>

13 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010
	£'000
Increase in Cash in the Period	247
Cash Inflow from Increase in Debt	(5,950)
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Movement in Net Funds in the Period	(5,703)
	<hr/>
Net Debt at 31 March	(5,703)
	<hr/> <hr/>

14 ANALYSIS OF CHANGES IN NET DEBT

	Cash	31 March
	Flows	2010
	£'000	£'000
Cash at Bank and in Hand	247	247
Loans due within one year	(5,950)	(5,950)
	<hr/>	<hr/>
	(5,703)	(5,703)
	<hr/> <hr/>	<hr/> <hr/>

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010
	£'000
Loss for the Financial Period	(188)
Opening Shareholders' Funds	-
	<hr/>
Closing Shareholders' Funds	(188)
	<hr/> <hr/>

16 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The ultimate parent company and ultimate controlling party is Orbit Group Limited. Copies of the financial statements are published on the Orbit Group website www.orbit.org.uk and are also available from Garden Court, Harry Weston Road, Binley Business Park, Coventry, CV3 2SU.

ORBIT HOMES (2020) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the Period 2 July 2009 to 31 March 2010

17 RELATED PARTY TRANSACTIONS

As permitted by paragraph 3(c) FRS8 (Related Party Disclosures), the company has taken advantage of the exemption for wholly owned subsidiaries not to disclose related party transactions with group entities. There were no other related party transactions disclosable under FRS8.