

ORBIT HOMES (2020) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011



ORBIT HOMES (2020) LIMITED

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**Company Registration
Number 06950748**

ORBIT HOMES (2020) LIMITED

EXECUTIVE OFFICERS AND AUDITORS

DIRECTORS

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

Name		Appointed	Resigned
Richard Reynolds	Non Executive Director/Chair	05/08/2009	
Michael Marron	Non Executive Director/Deputy Chair	05/08/2009	
Tony Crook	Non Executive Director	06/04/2011	
Devendra Ghandi	Non Executive Director	14/10/2009	
Rosemary Hyde	Non Executive Director	05/08/2009	31/03/2011
Trevor Sawyer	Non Executive Director	14/10/2009	
Neil Topping	Non Executive Director	14/10/2009	
Paul Tennant	Executive Director	02/07/2009	14/10/2009
Paul High	Executive Director	02/07/2009	14/10/2009
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

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Company, and the audited financial statements for the year to 31 March 2011.

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 year to 31 March 2011, the Company made a profit before tax of £193k (period to 31 March 2010 loss of £188k).

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 profit for the year was £189k (period to 31 March 2010 loss of £188k). The Directors do not recommend payment of a Dividend.

Directors and their Shareholdings

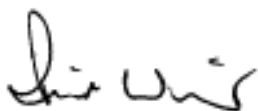
The Directors who served during the year are shown on page 2. The Company is a wholly owned subsidiary of Orbit Group Limited. None of the Directors held any interest in the shares of the Company.

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.



Richard Wright
Company Secretary
9 August 2011

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 2011 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 2011 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.

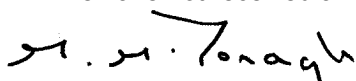
Opinion on other matter prescribed by the Companies Act 2006

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.



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

10 September 2011

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

PROFIT AND LOSS ACCOUNT
For the Year ended 31 March 2011

	NOTES	2011 £'000	2010 £'000
Turnover		53,997	-
Cost of Sales		<u>(53,580)</u>	<u>(183)</u>
Operating Profit/(Loss)	3	417	(183)
Interest Receivable		48	1
Interest Payable		<u>(252)</u>	<u>(6)</u>
		213	(188)
Gift Aid Donation		<u>(20)</u>	<u>-</u>
Profit/(Loss) on Ordinary Activities before taxation		193	(188)
Taxation	4	<u>(4)</u>	<u>-</u>
Profit/(Loss) for the Financial Period		189	(188)
Revenue Reserves at 1 April		<u>(188)</u>	<u>-</u>
Revenue Reserves at 31 March	15	<u><u>1</u></u>	<u><u>(188)</u></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

BALANCE SHEET
At 31 March 2011

	NOTES	2011		2010	
		£'000	£'000	£'000	£'000
Tangible Fixed Assets					
Fixed Assets	5		18		9
Current Assets					
Stock	6	19,547		10,652	
Debtors	7	7,275		1,709	
Cash at Bank and in Hand		171		247	
		<u>26,993</u>		<u>12,608</u>	
Creditors: Amounts falling due within one year	8	<u>(23,218)</u>		<u>(9,797)</u>	
NET CURRENT ASSETS			3,775		2,811
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,793</u>		<u>2,820</u>
Creditors: Amounts falling due after more than one year	9		(3,792)		(3,008)
NET ASSETS/(LIABILITIES)			<u><u>1</u></u>		<u><u>(188)</u></u>
Capital and Reserves					
Called up Share Capital	10		-		-
Profit and Loss Reserve	15		1		(188)
			<u>1</u>		<u>(188)</u>

The financial statements were approved by the Board of Directors on 9 August 2011 and signed on its behalf by:


Richard Reynolds
CHAIR

Company Registration
Number 06950748

ORBIT HOMES (2020) LIMITED

CASH FLOW STATEMENT

For the Year Ended 31 March 2011

	2011	2010
	£'000	£'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (Note 12)	214	(1,849)
Returns on Investments and Servicing of Finance		
Interest Received	48	1
Interest Paid	<u>(181)</u>	<u>(6)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(133)	(5)
Capital Expenditure and Financial Investment		
Acquisition of Land and Construction of Housing Properties	(12,931)	(3,840)
Purchase of Other Fixed Assets	<u>(26)</u>	<u>(9)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT ACTIVITIES	<u>(12,957)</u>	<u>(3,849)</u>
NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(12,876)	(5,703)
Management of Liquid Resources and Financing		
Loans Received	<u>12,800</u>	<u>5,950</u>
NET CASH INFLOW FROM MANAGEMENT OF LIQUID RESOURCES AND FINANCING	<u>12,800</u>	<u>5,950</u>
(DECREASE)/INCREASE IN CASH (Note 14)	<u><u>(76)</u></u>	<u><u>247</u></u>

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2011

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.

	2011 £'000	2010 £'000
Aggregate emoluments paid to or received by Directors who are not executive staff members including salaries, honoraria and other benefits	<u>18</u>	<u>8</u>
Emoluments of the highest paid Director included in aggregate emoluments of Directors who are not executive staff members	<u>4</u>	<u>2</u>

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2011

3 OPERATING LOSS

	2011 £'000	2010 £'000
Operating Loss is stated after charging		
Auditors' remuneration:		
- In their Capacity as Auditors	12	12
- In Respect of Other Services	-	-
Other Auditor's Remuneration:		
- In their Capacity as Auditors	8	-

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:

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	193	(188)
Tax due at 28% thereon	54	(53)
Capital Allowances in excess of depreciation	3	-
Losses (Brought)/ Carried Forward	(53)	53
Current tax charge for period	4	-

5 FIXED ASSETS

	Furniture Fixtures & Equipment £'000
COST	
At 1 April 2010	9
Additions	27
Disposals	(14)
At 31 March 2011	<u>22</u>
DEPRECIATION	
At 1 April 2010	-
Charge for the year	6
Eliminated on Disposals	(2)
At 31 March 2011	<u>4</u>
NET BOOK AMOUNT	
At 31 March 2011	<u>18</u>
At 31 March 2010	<u>9</u>

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2011

6 STOCKS

	2011 £'000	2010 £'000
Work in Progress	<u>19,547</u>	<u>10,652</u>

7 DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Other Debtors	2,017	1,709
Amounts from Group Companies	<u>5,258</u>	<u>-</u>
	<u>7,275</u>	<u>1,709</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Trade Creditors	4,205	804
Corporation Tax	4	-
Amounts Due to Subsidiaries	3,101	3,038
Loans	15,800	5,950
Accruals and Deferred Income	<u>108</u>	<u>5</u>
	<u>23,218</u>	<u>9,797</u>

9 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £'000	2010 £'000
Amounts Due to Subsidiaries	-	3,008
Other Creditors	842	-
Loans	<u>2,950</u>	<u>-</u>
	<u>3,792</u>	<u>3,008</u>

10 CALLED UP SHARE CAPITAL

	2011 £	2010 £
Authorised ordinary shares of £1 each	<u>2</u>	<u>2</u>
Issued and fully paid ordinary shares of £1 each	<u>2</u>	<u>2</u>

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

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2011

11 CAPITAL COMMITMENTS

	2011 £'000	2010 £'000
Capital Expenditure which has been contracted for but has not been provided for in the financial statements	<u>169,224</u>	<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 2011	<u>34,929</u>	<u>27,554</u>

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

	2011 £'000	2010 £'000
Operating Profit/(Loss)	417	(183)
Depreciation Charge	6	-
Loss on Disposal of fixed Assets	12	-
(Increase) in Debtors	(299)	(1,709)
Increase in Creditors	<u>78</u>	<u>43</u>
Net Cash Inflow/(Outflow) from Operating Activities	<u>214</u>	<u>(1,849)</u>

13 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £'000	2010 £'000
Increase/(Decrease) in Cash in the Period	(76)	247
Cash Inflow from Increase in Debt	<u>(12,800)</u>	<u>(5,950)</u>
Movement in Net Funds in the Period	(12,876)	(5,703)
Net Debt at 1 April 2010	<u>(5,703)</u>	<u>-</u>
Net Debt at 31 March	<u>(18,579)</u>	<u>(5,703)</u>

14 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2010 £'000	Cash Flows £'000	31 March 2011 £'000
Cash at Bank and in Hand	247	(76)	171
Loans due within one year	(5,950)	(9,850)	(15,800)
Loans due in greater than 1 year	<u>-</u>	<u>(2,950)</u>	<u>(2,950)</u>
	<u>(5,703)</u>	<u>(12,876)</u>	<u>(18,579)</u>

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2011

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Profit/(Loss) for the Financial Period	189	(188)
Opening Shareholders' Funds	<u>(188)</u>	<u>-</u>
Closing Shareholders' Funds	<u>1</u>	<u>(188)</u>

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.

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.