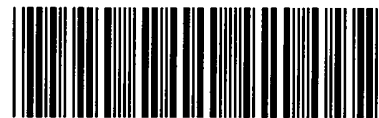


Financial Statements

Strata Housing Services Ltd

For the year ended 31 March 2016

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Company No. 08730321

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Company information

Company registration number :	08730321
Registered office :	Colliers Way Old Park Telford Shropshire TF3 4AW
Directors :	Francis Best Wayne Gethings Jacqueline Esimaje Heath
Secretary :	Chris Horton
Bankers :	Barclays Bank Plc 15 Colmore Row Birmingham B3 2EP
Auditors :	Grant Thornton UK LLP Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

Report of the Board

The Board of Strata Housing Services Limited (the 'Company') is pleased to present its report together with the audited financial statements of the Company for the year ended 31 March 2016. The Company is a company limited by shares. The Company is a subsidiary of The Wrekin Housing Trust Limited (the 'Parent').

Principal activities

The principal activity of the Company is the provision of development services to its parent company The Wrekin Housing Trust Ltd.

Donations

During the year a gift aid donation of £1.446m (2015: £1.156m) was made to The Wrekin Housing Trust Limited.

Directors

The directors of the company are set out on page 1. All directors served throughout the year and up to the date of this report except where otherwise stated.

The directors hold no interest in the Company's shares and have no direct interest in contracts awarded by the Company.

Employees

The Company does not have any employees. Staff costs are recharged by The Wrekin Housing Trust Limited to the Company.

Statement of the responsibilities of the Board for the report and financial statements

The directors are responsible for preparing the annual report of the Board 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 laws), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland. 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 and 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.

Report of the Board (continued)

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in the financial statements.

Auditors

In accordance with section 489 of the Companies Act 2006, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Approval

The Board report was approved by the Board on 27 July 2016 and signed on its behalf by:



Chris Horton
Company Secretary

Strategic Report

Business Review

The Board is of the opinion that the state of the Company's affairs and the results of its trading are satisfactory. The surplus for the financial year, before the payment of gift aid to its charitable parent company, The Wrekin Housing Trust Limited, amounted to £1.446m (2015: £1.156m).

The Company performed in accordance with the expectations of the Board and there is no reason to believe that this will not continue in the future.

During the year the Company provided development services to The Wrekin Housing Trust Limited under the terms of a service agreement.

The Company delivered £59.98m (2015: £52.92m) of residential housing developments across the Telford & Wrekin, Shropshire and Staffordshire areas.

The Board is of the opinion that the Company remains well placed to meet the challenges ahead.

Objectives and strategy

The objectives of the Company are to complete the development of good quality affordable housing within budget and to an agreed timetable, supporting the objectives of its client and charitable parent company, The Wrekin Housing Trust Limited.

The Company liaises with all interested parties to ensure that development work is progressed in an efficient and effective manner. The Company takes account of the impact of its actions on the reputation of its principal client in its dealings with stakeholders and is guided by the principles established for the operation of that principal client.

In all cases, development schemes are appraised on a stand alone basis, working within parameters agreed with the client.

Internal controls assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss. The process for identifying, evaluating and managing the significant risks faced by the Company is ongoing and has been in place throughout the period commencing 1 April 2015 up to the date of approval of the annual report and financial statements. The Board receives and considers reports from management on these risk management and control arrangements as necessary during the year, and the Group Audit and Risk Management Committee has oversight of risk management processes and procedures.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

Strategic Report

Identifying and evaluating key risks

The Board has established a risk management strategy, setting out its attitude to risk in the achievement of its objectives, which underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation and control of significant risks. The executive management group regularly considers reports on these risks and is responsible for reporting to the Board any significant changes affecting key risks. More detailed risk assessments are carried out by managers at all levels using risk management software. All matters brought to the executive management group or Board for decision are supported by such risk assessments.

Control environment and internal controls

The processes to identify the key risks to which the Company is exposed are an integral part of the internal control environment. These processes, which are reviewed annually and revised where necessary, include strategic planning, regular performance monitoring, control over developments and the setting of standards and targets for health and safety, data protection, fraud prevention and detection and environmental performance.

Information and reporting systems

Financial reporting procedures include strategic financial plans, underpinned by detailed annual budgets and forecasts for subsequent years. These are reviewed and approved by the Board and monitored throughout the year. The Board regularly receive reports to enable them to assess progress towards the achievement of key business objectives, targets and outcomes.

Monitoring arrangements

Regular management reporting on control issues provides assurance to successive levels of management and to the Board. It is supplemented by regular reviews by internal audit which provide independent assurance to the Board through the Group Audit and Risk Management Committee. The arrangements include a rigorous procedure to ensure that recommendations are carefully considered and implemented or, occasionally, varied with the agreement of the Joint Audit and Risk Management Committee.

Approval

The Strategic Report was approved by the Board on 27 July 2016 and signed on its behalf by



Francis Best
Director

Report of the independent auditor to the members of Strata Housing Services Limited

We have audited the financial statements of Strata Housing Services Limited for the year ended 31 March 2016 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position 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 Financial Reporting Standard 102, the financial reporting standard applicable in the United Kingdom and Republic of 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 auditors

As explained more fully in the Statement of Board's responsibilities set out on pages 2 and 3, the Board is 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 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 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 result 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 Strategic Report and Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the independent auditor to the members of Strata Housing Services Limited

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;

Grant Thornton UK LLP

Fiona Baldwin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

27 July 2016

Statement of comprehensive income

	Note	2016 £'000	2015 £'000
Turnover: continuing activities		59,978	52,920
Operating Costs		<u>(58,514)</u>	<u>(51,744)</u>
Operating surplus: continuing activities	2	1,464	1,176
Interest Payable and similar charges		(20)	(20)
Interest receivable		2	-
Gift aid payment	4	<u>(1,446)</u>	<u>(1,156)</u>
Surplus/(deficit) on ordinary activities before taxation		-	-
Taxation	3	-	-
Total comprehensive income for the year	9	<u><u>-</u></u>	<u><u>-</u></u>

All activities are classified as continuing.

The notes on pages 10 to 13 form part of these financial statements.

Statement of financial position

	Note	2016 £'000	2015 £'000
Current assets			
Debtors	5	5,986	6,219
Cash at bank and in hand		3,085	986
		9,071	7,205
Creditors: amounts falling due within one year	6	(9,071)	(6,805)
Net current assets		-	400
Total assets less current liabilities		-	400
Creditors: amounts falling due in more than one year	7	-	(400)
Net assets		-	-
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	-	-
Equity shareholders' funds		-	-

The notes on pages 10 to 13 form part of these financial statements.

The financial statements were approved by the Board on 27 July 2016 and signed on their behalf by:



Francis Best
Director

Company number: 08730321

Notes to the financial statements

1 Accounting policies

Company information

Strata Housing Services Limited is incorporated under the Companies Act 2006 in the United Kingdom and its registered office is Colliers Way, Old Park, Telford, Shropshire TF3 4AW.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£). Information on the first time adoption of FRS102 is given in note 15 to the financial statements.

Significant judgements and estimates

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

Significant management judgements

The following are the significant management judgements made in applying the accounting policies of the company that have the most significant effect on the financial statements.

The financial statements of the company have adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

Cash flow statement

The Company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of The Wrekin Housing Group Limited, which publishes a consolidated cash flow statement.

Turnover and revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover consists of the invoiced value (excluding VAT) of services supplied. Income for services provided is recognised at the point of legal completion of the service provided.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Long term creditors are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

The charge for taxation is based on surpluses arising on certain activities which are liable to tax.

Notes to the financial statements (continued)

2 Operating profit

	2016 £'000	2015 £'000
Operating profit is arrived at after charging:		
Auditors' remuneration		
- for audit services	<u>10</u>	<u>8</u>

3 Taxation

The company had no liability for corporation tax in either the current or prior year as it transferred all its taxable profits for both years to its charitable parent, The Wrekin Housing Trust Limited, by way of gift aid.

4 Payment of gift aid

	2016 £'000	2015 £'000
Gift aid for the current year	1,446	1,156
	<u>1,446</u>	<u>1,156</u>

5 Debtors

	2016 £'000	2015 £'000
Other taxation	-	1,905
Amount owed by parent undertaking	5,986	4,314
	<u>5,986</u>	<u>6,219</u>

There are no special repayment, interest or security arrangements in place with regard to amounts owed to the company by its parent undertaking.

Notes to the financial statements (continued)

6 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	7,326	5,177
Other taxation	55	-
Amounts owed to other group undertakings	-	26
Amounts owed to parent undertaking	1,690	1,602
	<u>9,071</u>	<u>6,805</u>

There are no special repayment, interest or security arrangements in place with regard to amounts owed by the company to other group undertakings or to its parent undertaking.

7 Creditors: amounts falling due after more than one year

	2016 £'000	2015 £'000
Amounts owed to other group undertaking	-	400
	<u>-</u>	<u>400</u>

On 12th March 2014 the board of Old Park Services Ltd., the other wholly owned subsidiary of the Wrekin Housing Trust Ltd., agreed to provide a loan of £400,000 to Strata Housing Services Ltd. to be repaid over five years by annual instalments at a rate of interest commensurate with the Trust's long term cost of finance. On 14 September 2015 the cash flow position of the Company was such that it was in a position to repay the loan in full.

8 Share Capital

	Authorised 2016 £	2015 £	Allotted and fully paid 2016 £	2015 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9 Profit and loss account reserves

Profit and loss account reserves include all current and prior period retained profits and losses.

Notes to the financial statements (continued)

10 Parent company and ultimate controlling party

The Wrekin Housing Trust Limited, a company incorporated in England, is the company's immediate parent. Consolidated accounts are prepared by The Wrekin Housing Group Limited, a company also incorporated in England. The Wrekin Housing Group Limited is the company's ultimate parent undertaking.

A copy of the consolidated group accounts is publicly available from the company's registered office as shown on page 1.

11 Directors

No director received any emoluments from the company during the year.

12 Contingent liabilities

The company has no contingent liabilities as at 31 March 2016 (2015: £nil).

13 Financial commitments

The company had no financial commitments as at 31 March 2016 (2015: £nil).

14 Related party disclosures

As a wholly owned subsidiary of The Wrekin Housing Group Limited, the company is exempt from the requirements of FRS 8 Related Party Disclosures to disclose transactions with other members of the group headed by The Wrekin Housing Group Limited on the grounds that the consolidated accounts are publicly available.

There are no other related party transactions to disclose.

15 Transition to FRS 102

The company has adopted FRS 102 for the first time for the year ended 31 March 2016. The adoption of FRS 102 did not require any restatement of amounts relating to the prior year.