

**Terra Nova Developments Limited
Report and Financial Statements
For the Year ended 31 March 2021**

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

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TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

COMPANY INFORMATION

Directors

A. Davison (from 1 April 2021)
C. Amyes (from 1 April 2021)
P. Bojar (to 31 March 2021)
C. Cashman (from 1 April 2021)
J. Green (from 1 April 2021)
M. Hanson (from 1 April 2021)
M. Harrison
M. Jones (from 1 April 2021)
G. Page (from 1 April 2021)
J. Rayner (from 1 April 2021)
D. Robinson (from 1 April 2021)

Company secretary P. Elvy

Registered office 2a Derwent Avenue
Manchester
M21 7QP

Website www.greatplaces.org.uk

Registered Number Companies House No. 05096482

External Auditors

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Internal Auditors

PwC
No 1
1 Hardman Square
Manchester
M3 3EB

Bankers

The Royal Bank of Scotland plc
St Ann's Street
St Ann's Square
Manchester
M60 2SS

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

REPORT OF THE DIRECTORS

The directors of Terra Nova Developments Limited (“the Company”) present their report and the financial statements for the year ended 31 March 2021.

Principal Activities

The principal activity of the Company during the year was the undertaking of design and build construction contracts primarily for the development of residential property including the rehabilitation and conversion of existing properties. During the year, the Company embarked on its own construction of properties for sale to its Parent Company. This may also include land acquisitions. A number of sites have been agreed by the parent, for development by the company, and 34 units are expected to be developed in the first year of construction, 2021/22, rising to 126 units in 2023/24. The parent is confident that it will be able to provide the required number of sites for development to the company, to enable it to grow its construction operations, and also to allow these activities to continue. The Company is registered under the Companies Act 2006.

Business Review

During the year, the Company recorded a loss after interest and taxation of £49k (2020: Profit of £45k). In respect of the year ended 31 March 2021 the Company was unable to make gift aid payment to Great Places Housing Association (2020: £53k).

Key performance indicators and risks and uncertainties

Turnover and gross profit are the principal KPIs used by the directors to assess the performance of the business, however the commencement of in-house construction activities for Great Places Housing Association, has seen the introduction of more operational KPIs. In-house construction brings a wider range of risks to the company’s risk profile, in particular around site health and safety and also ground conditions uncertainty. The Company carries out the majority of its trading activity within the wider Great Places Housing Group (“the Group”) therefore the principal risk is that this trading will cease. The directors of the Company are also directors of the Group and therefore do not have any concerns on the continuation of this trading activity. Further details of the principal risks and uncertainties are provided in the financial statements of the Group.

Directors

On 1 April 2021 the Directors of the Group became directors of the Company. Details of the directors are set out on page 3.

Employees

The Company has no employees (2020: none).

Statement of responsibilities of the directors

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.

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

REPORT OF THE DIRECTORS (continued)

Statement of responsibilities of the directors (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. In particular, assurance is provided by the Group's latest Business Plan including sensitivity analyses and stress testing which demonstrates that the Group has sufficient funding facilities in place that will meet planned development expenditure and that it is fully able to service its debt facilities.

After a thorough review considering the impact of Covid-19 on all assets, liabilities and commitments, the Board are assured that there are sufficient cash reserves and agreed facilities in place to meet liabilities as they fall due.

Therefore the Board continues to adopt the going concern basis in the financial statements.

Auditors

The directors confirm that:

- insofar as each director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

We will be re-appointing BDO as external auditors at the AGM on 16 September 2021, however we will also retender for the external audit service during this time. The successful party will then be appointed as external auditors at the conclusion of the re-procurement process.

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

REPORT OF THE DIRECTORS (continued)

Small company exemption

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

BY ORDER OF THE BOARD



P. Elvy

Director

24 August 2021

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRA NOVA DEVELOPMENTS LIMITED

Opinion on the 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 2021 and of its loss 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.

We have audited the financial statements of Terra Nova Developments Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRA NOVA DEVELOPMENTS LIMITED (Continued)

the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of this other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of responsibilities of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRA NOVA DEVELOPMENTS LIMITED (Continued)

ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, United Kingdom Generally Accepted Accounting Practice and the UK Companies Act 2006. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and improper revenue recognition. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Substantive testing to confirm the existence of revenue and cut off testing to ensure revenue has been recognised in the correct period;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords, manual journals to revenue and cash, and review of journals posted to least used accounts;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of Board meetings throughout the year;
- discussions with, and enquiries of, management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control; and

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRA NOVA DEVELOPMENTS LIMITED (Continued)

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:
Julien Rye
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Julien Rye (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester

Date: 03 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

TERRA NOVA DEVELOPMENTS LIMITED
Year ended 31 March 2021
STATEMENT OF COMPREHENSIVE INCOME

	Note	2021 £'000	2020 £'000
Turnover	2	1,151	7,224
Cost of sales		(1,145)	(7,174)
Gross profit		<u>6</u>	<u>50</u>
Administrative expenses		(55)	(5)
Operating (loss)/profit	3	<u>(49)</u>	<u>45</u>
Interest receivable		-	-
(Loss)/Profit on ordinary activities before taxation		<u>(49)</u>	<u>45</u>
Tax on profit on ordinary activities	5	-	-
(Loss)/Profit for the year and total comprehensive income		<u>(49)</u>	<u>45</u>

All amounts derive wholly from continuing operations.

There are no other recognised gains and losses other than the results for the year.

The accompanying notes on pages 14 to 17 form part of these financial statements.

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

STATEMENT OF FINANCIAL POSITION

	Note	2021 £'000	2020 £'000
Current assets			
Stocks	7	20	164
Debtors	8	367	191
Cash at bank and in hand		60	16
		<u>447</u>	<u>371</u>
Creditors: Amounts falling due within one year	9	(294)	(169)
		<u>153</u>	<u>202</u>
Net current assets			
		<u>153</u>	<u>202</u>
Net assets			
		<u>153</u>	<u>202</u>
Capital and reserves			
Share capital	10	-	-
Revenue reserves		153	202
Shareholders funds		<u>153</u>	<u>202</u>

The accompanying notes on pages 14 to 17 form part of these financial statements.

These financial statements were approved by the Board of directors on 24 August 2021 and signed on its behalf by:



A. Davison

Director

Company Registration Number 05096482

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Revenue reserve £'000	Total £'000
As at 1 April 2019	-	210	210
Profit for the year and total comprehensive income	-	45	45
Gift aid payment	-	(53)	(53)
As at 31 March 2020	-	202	202
Loss for the year and total comprehensive deficit	-	(49)	(49)
Gift aid payment	-	-	-
As at 31 March 2021	-	153	153

The accompanying notes on pages 14 to 17 form part of these financial statements.

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

The Company is registered under the Companies Act 2006, is a private company limited by share capital and is incorporated in the United Kingdom.

2. Accounting policies

The principal accounting policies are detailed below and they have been applied consistently throughout the year.

Basis of accounting

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48a; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Great Places Housing Group Limited as at 31 March 2021 and these financial statements may be obtained from its registered office at 2a Derwent Avenue, Manchester, M21 7QP.

Going concern

The company carries out the majority of its trading activity within the wider Great Places Housing Group and forms an important part of the ongoing group strategy. The Group's latest Business Plan including sensitivity analyses and stress testing was approved in April 2021. After a thorough review considering the impact of Covid-19 on all assets, liabilities and commitments, the Board are satisfied that the Group has sufficient funding facilities in place that will meet planned development and other expenditure over the next two and a half years and that it is fully able to service its debt facilities whilst continuing to comply with all its funders' covenants.

Therefore the Board continues to adopt the going concern basis in the financial statements.

Turnover

Income is measured at the fair value of the consideration received or receivable. Turnover shown in the statement of comprehensive income represents amounts invoiced during the period. All turnover arises in the United Kingdom from the principal activity of the company.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Accounting policies (continued)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Management do not consider there to be any significant judgements or estimation uncertainty due to the straightforward nature of the Company's operations.

4. Operating profit/(loss)

Operating profit/(loss) is arrived at after charging:

	2021 £'000	2020 £'000
Auditor's remuneration (excluding VAT)		
-for the audit of the financial statements	4	4
-for other services relating to taxation	-	1

The Company has no employees (2020: nil) and the executive directors received remuneration and the non-executive directors received a fee for their services to the Company from Great Places Housing Group Limited ("Great Places"), the ultimate parent of the Company.

5. Corporation tax

The tax charge on the profit on ordinary activities for the year was as follows:

	2021 £'000	2020 £'000
Current tax charge for the year	-	-
Current tax adjustment in respect of prior years	-	-
UK corporation tax charge/(credit) for year	-	-
Tax reconciliation		
Profit/(loss) before tax	(49)	45
Tax on profit on ordinary activities at standard CT rate of 19.00% (2020: 19%)	(9)	8
Effects of:		
Group relief surrendered/(claimed)	9	2
Gift Aid payments	-	(10)
Tax charge/(credit) for period	-	-

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. Gift Aid**

	2021	2020
	£'000	£'000
Gift aid payments	-	53
	<u>-</u>	<u>53</u>

Gift aid was paid or accrued to the immediate parent undertaking, Great Places Housing Association.

7. Stock and work in progress

	2021	2020
	£'000	£'000
Work in progress	20	164
	<u>20</u>	<u>164</u>

8. Debtors

	2021	2020
	£'000	£'000
Due from group undertakings	218	190
Trade debtors	149	1
	<u>367</u>	<u>191</u>

All amounts fall due within one year. Amounts due from group undertakings are interest free and due on demand.

9. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	3	4
Accruals	291	165
	<u>294</u>	<u>169</u>

10. Share capital

	2021	2020
	£'000	£'000
1,000 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
	£	£
Allotted, called up and fully paid	1	1
	<u>1</u>	<u>1</u>

TERRA NOVA DEVELOPMENTS LIMITED

Year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Ultimate controlling party

The ultimate controlling party of the Company is Great Places Housing Group Limited, which is a company registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing under the Housing Act.

The immediate parent of the Company is Great Places Housing Association, itself a subsidiary of Great Places Housing Group Limited, which is also a company registered under the Co-operative and Community Benefit Societies Act 2014.

No loans or guarantees were entered into by the Company with any member of the group.

The consolidated accounts of the Group can be obtained from Great Places, 2a Derwent Avenue, Manchester, M21 7QP, or via its website at www.greatplaces.org.uk.

12. Related party transaction

The Company has taken advantage of the exemption available not to disclose transactions between group companies on the basis that it is included in the consolidated accounts of Great Places Housing Group Limited.