



Raven
Housing Trust

Raven Devco Financial Statements

YEAR ENDED 31 MARCH 2021



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Building
homes
**Changing
lives**

Board and Company information

Board of Directors

Jonathan Higgs
Mark Baker

Secretary

Mark Baker (resigned 17th March 2021)
Asantewaa Brenya (appointed 17th March 2021)

Registered Office

29 Linkfield Lane
Redhill, Surrey
RH1 1SS

Solicitors

Anthony Collins
134 Edmund Street
Birmingham
B3 2ES

Auditor

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Company Registration Number

08948696

Bankers

Barclays Bank plc
Barclays Commercial Bank
Level 12
1 Churchill Place
London
E14 5HP

Directors' report



Directors' report

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of Raven Devco Limited (the Company) during the period was the provision of development services to Raven Housing Trust Limited. We anticipate the Company to trade only with Raven Housing Trust Limited for the foreseeable future.

Business review

Raven Devco Limited (Devco) have been appointed on two Raven Housing Trust developments with activity in the year; Chavercroft and Pells. Work was delayed in the year by the pandemic, but both schemes have been submitted for detailed planning and are due to be determined in the first half of 2021/22. Contractual payments continue to be paid in advance which ensures that large construction liabilities can be met in a timely fashion.

There is significant land-led activity which should see further instructions for DevCo in 2021/22.

Key risks

The Company's income is exclusively derived from the parent, Raven Housing Trust Limited, and therefore is wholly dependent upon the ability of Raven Housing Trust to continue its development programme. There are a number of risks, which the Company faces, particularly in relation to the continued rise in building costs and the shortage of skilled trades' staff in the region. These risks are mitigated through the framework agreement which exists between the Company and the parent. In the event that costs increase before contracts are signed, then the parent makes a decision as to whether to proceed or not. In the event that costs increase post signing of the contract, the framework agreement provides for the cost to be passed to the parent should they not be absorbed by the Company.

Independent auditor

BDO LLP were appointed as auditors in November 2016 after undergoing a competitive tender process.

Disclosure of information to auditor

At the date of making this report each of the Company's Directors, as set out within Board and Company information, confirm the following:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future given the ongoing committed contracts from Raven Housing Trust Limited. The budget and business plan have been updated for the change in development timings incorporated into the Raven Housing Trust plans. Devco has an umbrella contract in place with the parent to deliver services, under which Devco will be reimbursed for any contract price variation. For this reason, they adopt the going concern basis in preparing the financial statements.

Directors

Those who held office as Directors during the period are listed within Board and Company information.

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

Signed on behalf of the Board of Directors



Jonathan Higgs
Director

01/09/2021

Statement of Directors' responsibilities

Statement of Directors' responsibilities

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.

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.

Independent Auditor's report



Independent Auditor's Report to THE MEMBERS of Raven Devco Limited 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 profit 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 Raven Devco Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 report 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. 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 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 this gives rise to a material misstatement in the financial statements themselves. 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 prepare the financial statements in accordance with the small companies' regime and 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 Directors' Responsibilities, 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 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:

Based on our understanding of the company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to its registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the financial statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation.

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 to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the net realisable value of properties developed for sale, the defined benefit pension liability and finance lease liabilities;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.

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.



Philip Cliftlands
Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor Gatwick, UK

Date: 21/9/21

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

Statement of Income and Retained Earnings for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover		385,369	304,704
Cost of sales		(260,269)	(261,680)
Gross profit		125,100	43,024
Administrative expenses		(122,297)	(38,242)
Operating profit		2,803	4,782
Interest payable		-	-
Profit on ordinary activities before taxation	4	2,803	4,782
Taxation	5	-	-
Profit and total comprehensive income for the financial period		2,803	4,782
Opening retained earnings		4,783	6,500
Profit for the period		2,803	4,782
Qualifying charitable donation to parent		(4,783)	(6,499)
Retained earnings at the end of the period attributable to the owners		2,803	4,783

All amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 31 March 2021

Company registration number: 08948696

	Note	2021 £	2020 £
Current assets			
Debtors	6	46,528	32,904
Cash at bank and in hand		146,713	89,239
		193,241	122,143
Creditors: amounts falling due within one year	7	(190,437)	(117,359)
Net assets		2,804	4,784
Capital and reserves			
Called up share capital	8	1	1
Retained earnings	9	2,803	4,783
Total Capital and reserves		2,804	4,784

The financial statements have been prepared in accordance with the provision applicable to small companies within Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Management and authorised for issue on 1 September 2021 and signed on their behalf by:



Jonathan Higgs
Director
01/09/2021



Mark Baker
Director
01/09/2021

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2021

1. Legal status

Raven Devco Limited is a private limited company incorporated in England and Wales. The address of the registered office is 29 Linkfield Lane, Redhill, Surrey RH1 1SS.

Information regarding the principal activities of the Company is included in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The financial statements have been prepared under the historic cost convention in accordance with the Company's accounting policies. All amounts are presented in pound sterling.

The Company has taken advantage of the following disclosure exemptions available under FRS102:

- the exemption from preparing a statement of cash flows;
- the exemption from disclosing key management personnel compensation; and
- the exemption from certain financial instruments disclosures, as equivalent disclosures have been included in the consolidated financial statements of Raven Housing Trust Limited.

2.2 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future given the ongoing committed contracts from Raven Housing Trust Limited. The budget and business plan have been updated for the change in development timings incorporated into the Raven Housing Trust plans. Devco has an umbrella contract in place with the parent to deliver services, under which Devco will be reimbursed for any contract price variation. For this reason, they adopt the going concern basis in preparing the financial statements.

2.3 Construction contracts

All revenue is derived from construction contracts with Raven Housing Trust, the parent company. Revenue is measured at the fair value of consideration received or

receivable and represents the amounts receivable net of discounts and VAT.

Revenue is only recognised on a construction contract where the outcome can be estimated reliably.

Revenue and costs are recognised by reference to the stage of completion of contract activity at the balance sheet date. This is based on an assessment by surveyors. When it is probable that the total costs on a construction contract will exceed total contract revenue, the expected loss is recognised as an expense in the Profit and Loss Account immediately.

Amounts recoverable on construction contracts are included in trade debtors and stated at cost plus attributable profit less any foreseeable losses. Payments received on account for construction contracts are deducted from amounts recoverable on construction contracts. Payments received in excess of amounts recoverable on construction contracts are included in trade creditors.

2.4 Taxation

The tax expense represents the sum of the tax currently payable.

The current tax charge is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle on a net basis.

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, in hand, deposits, bank overdrafts and short term investments with an original maturity of three months or less.

2.6 Financial instruments

The Company accounts for financial instruments as basic, in accordance with the recognition criteria in Section 11 of FRS 102.

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. In this case, the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar instrument. Basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. In this case, the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Basic financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets and liabilities that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amounts of the cash or other consideration expected to be paid or received, net of impairment.

2.7 Qualifying charitable donations

The Company is a subsidiary of Raven Housing Trust, a charitable registered provider of social housing, and intends to make qualifying charitable donations of an amount equal to the taxable profits within 9 months of the year end in each

financial year. As these amounts represent distributions they are recognised when there is a legally binding commitment. In respect of the taxable profits of the current year the distribution will be presented in the financial statements of the following period.

FRS 102 requires the tax effects of any expected gift aid payment to be accounted for when it is probable that the gift aid payment will be made within 9 months of the reporting date. No tax charge or liability has therefore been recognised in relation to the taxable profits as the Company has the resources and intention to pay the donation within 9 months of the year end.

2.8 Key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice, requires management to make estimates and judgements that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

(a) Estimation of costs to complete

In order to determine the profit that the Company is able to recognise on its developments in a specific period, it is necessary to allocate development costs between units built in the current year and in future years. It also has to estimate costs to complete for such developments. There is a degree of uncertainty in making these assessments. The Company uses internal controls to assess and review carrying values.

(b) Recognition of profit for construction contracts

The Company applies its policy on contract accounting when recognising revenue and profit on partially completed contracts. The application of this policy requires judgements to be made in respect of the total expected costs to complete for each site. The Company has internal control procedures to ensure that the evaluation of costs and revenues is in line with market expectations.

3. Directors' emoluments

In the year ended 31 March 2021, the total emoluments paid to the Directors of the Company were £0 (2020: £0). The total expenses were £0 (2020: £0).

4. Profit on ordinary activities before taxation

Profit before taxation is stated after charging:

	2021 £	2020 £
Auditor's remuneration (excluding VAT)	5,725	3,600
	5,725	3,600

5. Taxation

	2021 £	2020 £
Current tax		
In respect of the current period	-	-
Adjustment in respect of previous periods	-	-
Total current tax charge for the period	-	-

The tax assessed for the period is the same as the standard rate of corporation tax of 19% (2020: 19%) in the UK.

	2021 £	2020 £
Profit on ordinary activities before tax	2,803	4,782
Tax on profit at the standard rate of corporation tax	533	909
Effects of:		
Adjustment to tax charge in respect of previous periods	-	-
Adjustment to tax charge in respect of gift aid	(533)	(909)
Tax charge for the period	-	-

Profits arising in the year 2020/2021 will be gift aided within 9 months from the end of the financial year, therefore the Company has recognised the tax deduction in the current year.

6. Debtors

	2021 £	2020 £
Other debtors	31,504	1,562
Amounts recoverable on contracts from parent	15,024	31,342
	46,528	32,904

7. Creditors

	2021 £	2020 £
Trade creditors	7,284	-
Accruals	96,856	117,359
Amounts due to group undertakings	86,297	-
	190,437	117,359

8. Called up share capital

	2021 £	2020 £
Authorised		
1 ordinary share of £1 each	1	1
Called up, allotted and fully paid		
1 ordinary share of £1 each	1	1

9. Reserves

Retained earnings relates to the cumulative retained earnings less amounts distributed to shareholders.

10. Ultimate parent company

Raven Devco Limited is a wholly owned subsidiary of Raven Housing Trust Limited, which is the ultimate parent and ultimate controlling entity. Raven Housing Trust Limited is incorporated in the United Kingdom under the Co-Operative and Community Benefit Societies Act. The financial statements of the ultimate parent are available from 29 Linkfield Lane, Redhill, Surrey RH1 1SS.

11. Capital commitments

	2021 £	2020 £
Contracted but not provided for	-	-
Commitments approved by the Board but not contracted for	11,089,477	9,653,682
	11,089,477	9,653,682

The movement in the capital commitments value is a result of changes to the development program, which has resulted in more projects planned for year 2021/22.



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