

ORBIT HOMES (2020) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

**Company Registration
Number 06950748**

 **Building Brighter Futures...**
for people and communities



ORBIT HOMES (2020) LIMITED

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**Company Registration
Number 06950748**

ORBIT HOMES (2020) LIMITED

EXECUTIVE OFFICERS AND AUDITORS

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Name		Appointed	Resigned
Christopher Crook	Non Executive Director/Chair	06/12/2011	
Richard Reynolds	Non Executive Director/Chair	05/08/2009	31/10/2011
Michael Marron	Non Executive Director/Deputy Chair	05/08/2009	
Anthony Crook	Non Executive Director	06/04/2011	
Devendra Ghandi	Non Executive Director	14/10/2009	
Trevor Sawyer	Non Executive Director	14/10/2009	
Neil Topping	Non Executive Director	14/10/2009	
Richard Wright	Company Secretary	02/07/2009	

EXECUTIVE OFFICERS

The Company had no employees during the year other than directors (2011: Nil). 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 a qualifying third party indemnity provision indemnifying them against legal claims from third parties that has been in place throughout the financial year and up to and including the date that the financial statements are signed.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

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 2012.

Principal Activities

The principal activities of the Company comprise the provision of a design and build service to Orbit Group Limited and its subsidiary companies ("Orbit") and development of homes for sale within the UK.

Performance in the Year

The company operates as the housebuilding company of Orbit, building a range of tenures for different markets.

From 1 April 2010, the company took over the development of all homes within Orbit. Staff providing these services are employed by Orbit Group Limited, and services are supplied under a service level agreement. During 2011/12 our offer was accepted for the Homes and Communities Agency (HCA) 2011/15 development programme. We monitor our performance against our contract with the HCA closely, and at the end of the year we had completed 874 affordable homes during the year for other members of Orbit, and had exceeded all of our targets for our HCA programme for 2011/12.

During the year the company has also started to build homes for sale. Our first flagship site opened at Aspire in Bedford, and 19 market sales were completed during the year. Several other market sale schemes are now on site, and another showhome complex has opened at Great Blakenham in Suffolk since the end of the year.

We have continued to develop our people, attaining Investors in People (IIP) accreditation during the year. We are also investing in Apprenticeships, both within our own company and in partnership with our contractors, to help to build brighter futures for young people. To affirm our commitment in this area, we are sponsoring the 2012 Young Builder awards – Youthbuild UK.

Future Prospects

Along with other members of Orbit we are aiming to make our organisation great. We are doing this from the perspective of our customers, the places we create and our people - Customer, Place, Organisation. Our business plan is therefore divided into objectives under each of these headings.

Our Ambitions for 2012/13 and beyond are to: -

- Achieve great customer service
- Out-perform our HCA Affordable Homes milestones
- Expand our turnover for the sale of homes to over £50m by 2015 and increase our profitability
- Develop Orbit Homes brand recognition for our products and services
- Achieve IIP Gold Standard

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 Orbit 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.

ORBIT HOMES (2020) LIMITED

DIRECTORS' REPORT

Risks and Uncertainties

As a housebuilding company selling homes outright in the open market and on a shared ownership basis, we are exposed to the market conditions that prevail in the wider housing market. The Board meet monthly to review progress in respect of sales and to agree future build releases in order to manage that risk effectively. We are also using several different mortgage products and funding arrangements, and are actively exploring new products for the future.

Funding for the company is currently provided by means of two loan facilities from Orbit Group Limited, the parent company, with additional Kickstart funding provided by the HCA. Our ambitions to expand our turnover will require additional funding in order to achieve that level of growth in the short to medium term, and we are currently exploring different options that will enable us to achieve this.

Charitable Donations

The financial statements include a provision for Gift Aid donations totalling £832k (2011: £20k) payable to the parent company, Orbit Group Limited. In addition, the company made charitable donations totalling £6k to organisations outside of Orbit.

Results and Dividends

The profit for the year after taxation was £660k (2011: £189k). The Directors do not recommend payment of a Dividend.

Financial Risk Management

The company's operations expose it to a variety of financial risks that include the effects of liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of required finance and the related finance costs.

- **Liquidity Risk**
The company closely monitors its future requirements for loan funding to ensure that sufficient funds will be available to cover the development of new homes for sale and the commitment to purchase of land to facilitate future development programmes.
- **Interest Rate Risk**
The funding provided by the parent company, Orbit Group Limited, bears interest at rates linked to LIBOR. Exposure to the effects of movements in interest rates are regularly monitored, and future interest rate assumptions are reflected in the appraisal of future development schemes.

Directors

The Directors who served during the year are shown on page 2. The Company is a wholly owned subsidiary of Orbit Group Limited.

ORBIT HOMES (2020) LIMITED

DIRECTORS' REPORT

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 prepared 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditors

During the year KPMG LLP resigned as auditors to the company, and the directors have appointed PricewaterhouseCoopers LLP. A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's auditor for external audit services will be proposed at the Annual General Meeting.

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



Richard Wright
Company Secretary
10 September 2012

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 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 5, 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its profit and cash flows 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.

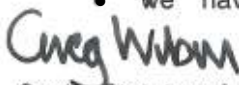
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.



Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
B3 2DT

Dated: 21 September 2012 .

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORBIT HOMES (2020) LIMITED

Notes:

- The financial statements for Orbit Homes (2020) Limited are published on the Orbit website www.orbit.org.uk. The maintenance and integrity of the Orbit website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ORBIT HOMES (2020) LIMITED

PROFIT AND LOSS ACCOUNT For the Year ended 31 March 2012

	NOTES	2012 £'000	2011 £'000 Restated
Turnover		90,735	53,997
Cost of Sales		<u>(88,360)</u>	<u>(53,024)</u>
Gross Profit		2,375	973
Administrative Expenses		<u>(557)</u>	<u>(556)</u>
Operating Profit	3	1,818	417
Interest Receivable and Similar Income		14	48
Interest Payable and Similar Charges	4	(159)	(252)
Gift Aid Donation		<u>(832)</u>	<u>(20)</u>
Profit on Ordinary Activities before taxation		841	193
Tax on Profit on Ordinary Activities	5	<u>(181)</u>	<u>(4)</u>
Profit for the Financial Year		660	189
Revenue Reserves at 1 April		1	(188)
Revenue Reserves at 31 March		<u>661</u>	<u>1</u>

All activities derive from continuing operations. The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical costs equivalents.

The figures for the year ended 31 March 2011 have been restated to show the analysis of costs between Cost of Sales and Administrative Expenses, which had previously all been shown as Cost of Sales.

ORBIT HOMES (2020) LIMITED

BALANCE SHEET As at 31 March 2012

	NOTES	2012		2011	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	6		70		18
Current Assets					
Stocks	7	24,879		19,547	
Debtors	8	10,749		7,275	
Cash at Bank and in Hand		567		171	
		<u>36,195</u>		<u>26,993</u>	
Creditors: Amounts falling due within one year	9	<u>(13,573)</u>		<u>(23,218)</u>	
NET CURRENT ASSETS			22,622		3,775
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,692</u>		<u>3,793</u>
Creditors: Amounts falling due after more than one year	10		(22,031)		(3,792)
NET ASSETS			<u>661</u>		<u>1</u>
Capital and Reserves					
Called up Share Capital	12		-		-
Profit and Loss Reserve			661		1
TOTAL SHAREHOLDERS' FUNDS	17		<u>661</u>		<u>1</u>

The financial statements on pages 8 to 17 were approved by the Board of Directors on 10 September 2012 and signed on its behalf by:



Christopher Crook
CHAIR

Company Registration
Number 06950748

ORBIT HOMES (2020) LIMITED

CASH FLOW STATEMENT

For the Year Ended 31 March 2012

	2012 £'000	2011 £'000 Restated
NET CASH OUTFLOW FROM OPERATING ACTIVITIES (Note 14)	(1,522)	(12,535)
Returns on Investments and Servicing of Finance		
Interest Received	14	48
Interest Paid	<u>(1,201)</u>	<u>(362)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(1,187)	(314)
Taxation	(5)	-
Capital Expenditure and Financial Investment		
Purchase of Other Fixed Assets	<u>(65)</u>	<u>(27)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT ACTIVITIES	<u>(65)</u>	<u>(27)</u>
NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(2,779)	(12,876)
Management of Liquid Resources and Financing		
Loans Received	<u>3,175</u>	<u>12,800</u>
NET CASH INFLOW FROM MANAGEMENT OF LIQUID RESOURCES AND FINANCING	<u>3,175</u>	<u>12,800</u>
INCREASE/(DECREASE) IN CASH (Note 15)	<u>396</u>	<u>(76)</u>

The figures for the year ended 31 March 2011 have been restated to amend the presentation of movement in stock, which had previously been shown as Acquisition of Land and Construction of Housing Properties.

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2012

1 PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

Tangible Fixed Assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis.

Furniture, Fixtures & Equipment 15% - 25%

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 and the provision of design and build services, net of VAT and other sales related taxes. All turnover arises in the UK only.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the services provided net of value added tax and customer discounts and incentives for the .

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, at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, 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.

Liquid Resources

Liquid resources comprise loans from Group Undertakings and from the Homes and Communities Agency.

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 Orbit Homes (2020) Limited 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.

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2012

2 DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

	2012 £'000	2011 £'000
Aggregate emoluments paid to or received by Directors who are not executive staff members including salaries, honoraria and other benefits	18	18
Aggregate emoluments paid to or received by Directors who are executive staff members including salaries, honoraria and other benefits***	34	32

***The Executive Directors are employed and paid by the parent company, Orbit Group Limited.

3 OPERATING PROFIT

	2012 £'000	2011 £'000
Operating Profit is stated after charging		
Fixed Assets:		
- Depreciation - Owned Assets	12	6
- Loss on Disposal	1	12
Auditors' remuneration:		
- In their Capacity as Auditors	12	12
Other Auditor's Remuneration:		
- In their Capacity as Auditors	5	8

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
On Bank Loans, Overdrafts and Other Loans		
Repayable, other than by instalments, within 5 years	99	7
On Loans from Group Undertakings		
Repayable, other than by instalments, within 5 years	1,234	425
	1,333	432
Interest charged to Work in Progress	(1,174)	(190)
Loan Arrangement Fees written off	-	10
	159	252

The average interest rate for the year (adjusted for margins) of 3.25% (2011: 6.60%) was used for the purpose of calculating interest charged to work in progress.

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2012

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in year:

	2012 £'000	2011 £'000
Current tax:		
UK corporation tax on profits of the year	180	4
Adjustment in respect of previous year	1	-
Total current tax	<u>181</u>	<u>4</u>

There is no deferred tax for the year, either recognised or unrecognised (2011: £Nil).

(b) Factors affecting the tax charge for the year:

The current tax charge for the year is lower (2011: lower) than the standard rate of Corporation Tax in the UK of 24% (2011: small profits rate 21%). The differences are explained below:

	2012 £'000	2011 Restated £'000
Profit on ordinary activities before tax	<u>841</u>	<u>193</u>
Tax due at 24% thereon (2011: 21%)	202	41
Accelerated capital allowances and other differences	(14)	(5)
Losses Brought Forward	(8)	(32)
Adjustment to tax charge in respect of previous year	1	-
Current tax charge for year	<u>181</u>	<u>4</u>

The figures for 2011 have been restated to reflect the small profits tax rate applicable for that year.

(c) Factors that may affect future tax charges:

During the year, the relevant deferred tax balances have been re-measured as a result of the change in the UK main corporation tax rate to 25%, which was substantively enacted on 5 July 2011, effective from 1 April 2012.

Further reductions to the UK corporation tax rate were announced in the March 2012 Budget. The changes propose to reduce the rate by 1% per annum to 24% from 1 April 2012 and by a further 1% to 23% from 1 April 2013. The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2012

6 TANGIBLE ASSETS

	Furniture Fixtures & Equipment £'000	
COST		
At 1 April 2011	22	
Additions	65	
Disposals	(1)	
At 31 March 2012	<u>86</u>	
ACCUMULATED DEPRECIATION		
At 1 April 2011	4	
Charge for the year	12	
At 31 March 2012	<u>16</u>	
NET BOOK AMOUNT		
At 31 March 2012	<u>70</u>	
At 31 March 2011	<u>18</u>	

7 STOCKS

	2012 £'000	2011 £'000
Work in Progress	<u>24,879</u>	<u>19,547</u>

Included within work in progress is capitalised interest of £1,362k (2011: £190k).

8 DEBTORS

	2012 £'000	2011 £'000
Amounts owed by Group Undertakings	9,371	5,258
Other Debtors	<u>1,378</u>	<u>2,017</u>
	<u>10,749</u>	<u>7,275</u>

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2012

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Bank Loans and Overdrafts	-	15,800
Trade Creditors	11,553	4,205
Amounts owed to Group Undertakings	1,583	3,101
Other Creditors including Taxation and Social Security	179	4
Accruals and Deferred Income	258	108
	<u>13,573</u>	<u>23,218</u>

Trade creditors totalling £121k (2011: £Nil) are secured by guarantees given by the parent company, Orbit Group Limited, and £340k by means of a bond given by Orbit Homes (2020) Limited. In addition, Orbit Group Limited guarantees the weekly BACS payment to a maximum value of £8m.

10 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £'000	2011 £'000
Other Creditors	-	842
Accruals and Deferred Income	106	-
Loans	21,925	2,950
	<u>22,031</u>	<u>3,792</u>

11 LOANS AND OTHER BORROWINGS

	2012 £'000	2011 £'000
Loans from Group Undertakings	18,500	15,800
Other Loans (Homes & Communities Agency)	3,425	2,950
	<u>21,925</u>	<u>18,750</u>

MATURITY OF FINANCIAL LIABILITIES

	2012 £'000	2011 £'000
In one year or less, or on demand	-	15,800
In more than one year, but not more than two years	18,500	-
In more than two years, but not more than five years	3,425	2,950
	<u>21,925</u>	<u>18,750</u>

During the year, the loan facilities from the parent company, Orbit Group Limited, were extended. There is no fixed repayment date, but the agreement includes an option for a 12-month notice period that has not been called at the date of signature of the financial statements. The loans from Orbit Group Limited are secured by a floating charge over the assets of the company.

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2012

12 CALLED UP SHARE CAPITAL

	No.	2012 £	No.	2011 £
Authorised ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Issued and fully paid ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

13 CAPITAL COMMITMENTS

	2012 £'000	2011 £'000
Capital Expenditure which has been contracted for but has not been provided for in the financial statements	<u>134,759</u>	<u>169,224</u>
Capital Expenditure which has been authorised under authority from the Board of Directors but has yet to be contracted for at 31 March 2012	<u>154,552</u>	<u>34,929</u>

Capital commitments comprise contracts for the purchase of land and buildings and under design and build contracts with third party suppliers.

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

	2012 £'000	2011 £'000 Restated
Operating Profit	1,818	417
Depreciation Charge	12	6
Loss on Disposal of fixed Assets	1	12
Increase in stock	(4,158)	(8,705)
Increase in Debtors	(3,474)	(5,566)
Increase in Creditors	4,279	1,301
Net Cash Outflow from Operating Activities	<u>(1,522)</u>	<u>(12,535)</u>

The figures for the year ended 31 March 2011 have been restated to amend the presentation of movement in stock.

15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012 £'000	2011 £'000
Increase/(Decrease) in Cash in the Year	396	(76)
Cash Inflow from Increase in Debt	<u>(3,175)</u>	<u>(12,800)</u>
Movement in Net Funds in the Year	(2,779)	(12,876)
Net Debt at 1 April	<u>(18,579)</u>	<u>(5,703)</u>
Net Debt at 31 March	<u>(21,358)</u>	<u>(18,579)</u>

ORBIT HOMES (2020) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 March 2012

16 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2011 £'000	Cash Flows £'000	31 March 2012 £'000
Cash at Bank and in Hand	171	396	567
Loans due within one year	(15,800)	15,800	-
Loans due in greater than 1 year	(2,950)	(18,975)	(21,925)
	<u>(18,579)</u>	<u>(2,779)</u>	<u>(21,358)</u>

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Profit for the year	660	189
Opening Shareholders' Funds	1	(188)
Closing Shareholders' Funds	<u>661</u>	<u>1</u>

18 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking and the ultimate parent undertaking and controlling party is Orbit Group Limited, an Industrial and Provident Society registered in England and Wales.

Orbit Group Limited is the parent undertaking of the only group of undertakings to consolidate these financial statements at 31 March 2012. The consolidated financial statements of Orbit Group Limited are published on the Orbit website www.orbit.org.uk and are also available from Garden Court, Harry Weston Road, Binley Business Park, Coventry, CV3 2SU.

19 RELATED PARTY TRANSACTIONS

Orbit Homes (2020) Limited is a wholly owned subsidiary of Orbit Group Limited, 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.