

***Report and  
Financial statements -***  
Synergy Housing Solutions Limited

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**For the year ended 31 March 2017**

**Company Registered no: 04366613**

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## Company Information

<b>Directors</b>	Stephen Close Paul Hayes
<b>Secretary</b>	Mark Dunford
<b>Company Registered number</b>	04366613
<b>Registered and Head Office</b>	Bull Green House Bull Green Halifax West Yorkshire HX1 2EB
<b>Auditors</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Bankers</b>	Barclays Bank plc 6th Floor One Snowhill Queensway Birmingham B4 6GB
<b>Solicitors</b>	Bevan Brittan LLP Toronto Square Toronto Street Leeds LS1 2HJ

## ***Directors' Report***

The Directors present their report and audited financial statements for the year ended 31 March 2017.

The Company is a company limited by shares. Synergy Housing Solutions Limited is a wholly owned subsidiary of Together Housing Association Limited, which is a charitable housing association registered under the Co-operative and Community Benefit Societies Act 2014 and is a member of the Together Housing Group (“THG” or the “the Group”).

Together Housing Group Limited is also charitable and registered under the Co-operative and Community Benefit Societies Act 2014.

The Group also has the following members:

- Together Housing Association a registered housing provider
- Together Housing Finance plc - to issue the public named bond of the Group;
- Pendleton Together Operating Limited – to deliver the refurbishment of 1,250 properties;
- Pendleton Together Holding Limited - a vehicle to facilitate the bond and equity finance which will enable Pendleton Together Operating Limited to deliver the operational objectives;
- Newground Together – a registered Charity, they joined the Group in July 2013 and commissions environmental and community projects in support of the Group’s Corporate and Social objectives;
  
- Harewood Housing Society a registered housing provider
- SP Plus (Development) Limited - created to deliver outright sales in the Pendleton area as part of the larger PFI;
- Newground Together CIC – a community interest company that provides consultancy services to the Group and external Companies;
- Together Roof Energy Limited – a holding company which owns 100% of the share capital of Together Roof Energy SPV Limited; and
- Together Roof Energy Limited – a holding company which owns 100% of the share capital of Together Roof Energy SPV Limited; and
- Together Roof Energy SPV Limited – previously a Joint Venture but fully acquired on the 27th September 2013, a company for the installation of solar panels together with the generation of electricity there from

The Group also has the following Joint Venture companies:

- Woodnook JV Co – a partnership between Together Housing Association Ltd and Place First, established in order to undertake refurbishment of 71 homes for subsequent market rent;
- RTB Partnership – a company formed between the Group, Rossendale Council and a private construction company as a regeneration vehicle for the area of Rossendale
  
- Black Rock JV – a partnership between Harewood Housing Society Limited and Kier Living for the development of 113 units for outright sale
  
- Through Together Housing Association Limited the Group entered into a cost sharing agreement with Wakefield and District Housing in April 2013 to enable the realisation of cost savings in relation to the maintenance of an element of the Group’s properties in Yorkshire.

The group also has 6 dormant companies - Optima Housing Consultants, Chevin Management Services, Elus Limited, Groundwork Pennine Lancashire Limited, Sustainable Hub Limited, Groundwork Contract Services and Groundwork Limited.

### **Principal activities**

The principal activity of the Company is to provide development services to the Group and other social housing providers for the delivery of new build properties.

# ***Independent auditor's report to the members of Synergy Housing Solutions Limited***

We have audited the financial statements of Synergy Housing Solutions Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of changes in equity, 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 FRS 102 The Financial Reporting Standard applicable in the UK 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 the board and the auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5 and 6, 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.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 2017 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.

## **Opinion on other matters prescribed by the Companies Act 2006**

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.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

# ***Independent auditor's report to the members of Synergy Housing Solutions Limited (continued)***

## **Matter on which we are required to report under the Companies Act 2006**

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 any material misstatements in the Directors' Report.

## **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.
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



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

Date:

26 September 2017

## *Statement of Comprehensive Income*

	Note	Year ended	
		2017	2016
		£'000	£'000
Turnover	4	25,405	19,654
Operating expenditure		<u>(25,404)</u>	<u>(19,803)</u>
<b>Operating profit/(loss)</b>	5	<b>1</b>	<b>(149)</b>
<b>Profit/(Loss) on ordinary activities before taxation</b>		<b>1</b>	<b>(149)</b>
Tax credit	7	<u>25</u>	<u>-</u>
<b>Profit/(Loss) and total comprehensive income for the financial year</b>		<b><u>26</u></b>	<b><u>(149)</u></b>

The accompanying notes form part of these financial statements.

## *Statement of Changes in Equity*

	Share Capital	Retained earnings	Total
	£'000	£'000	£'000
Balance as at 1 April 2015	-	8	8
Total comprehensive income for the year	-	(149)	(149)
Balance as at 31 March 2016	-	(141)	(141)
Total comprehensive income for the year	-	26	26
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>(115)</b>	<b>(115)</b>

The accompanying notes form part of these financial statements.



## Statement of Financial Position

	Note	Year ended	
		2017 £'000	2016 £'000
<b>Current assets</b>			
Debtors	8	5,247	1,958
Cash at bank and in hand		333	680
		<b>5,580</b>	<b>2,638</b>
Creditors: amounts falling due within one year	9	(5,695)	(2,779)
<b>Net current assets</b>		<b>(115)</b>	<b>(141)</b>
<b>Total assets less current liabilities</b>		<b>(115)</b>	<b>(141)</b>
Creditors: amounts falling due after more than one year		-	-
<b>Net liabilities</b>		<b>(115)</b>	<b>(141)</b>
<b>Capital and reserves</b>			
Share capital	10	-	-
Retained earnings	11	(115)	(141)
<b>Total equity</b>		<b>(115)</b>	<b>(141)</b>

The accompanying notes form part of these financial statements.

The financial statements were authorised for issue by the board of directors on 14 September 2017 and were signed on its behalf.



Mark Dunford  
Company Secretary  
Synergy Housing Solutions Limited  
Company no. 04366613



Stephen Close  
Director

## ***Notes to the financial statements***

### **1. General information**

Synergy Housing Solutions Limited ("Company") was set up to provide development services to social housing providers for the delivery of new build properties. The company is a private company limited by shares and is incorporated in England. Its registered office is Bull Green House, Bull Green, Halifax, West Yorkshire, HX1 2EB.

The financial statements are presented in sterling (£).

### **2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **a. Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company has adopted the following disclosure exemptions available to it under FRS 102:

- the requirement to present a statement of cash flows and related notes.
- financial instruments 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.

#### **b. Going concern**

After making enquiries, 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 twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

#### **c. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises revenue when services have been provided under the development agreement.

## ***Notes to the financial statements (continued)***

### d. Taxation

#### (i) Deferred Taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### (ii) Current Taxation

Current tax is based upon taxable profit for the year, however, the Company has a financial loss in year.

### e. Debtors

Short term debtors are measured at transaction price.

Amounts due from group undertakings relates to the development services, which is calculated based on amounts owing at year end.

### f. Creditors

Short term debtors are measured at transaction price.

Amounts owed to group undertakings relates to the contract for development services, which is calculated based on the contracted amounts due at the year end.

### g. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### h. Share capital

Ordinary shares are classified as equity.

### i. Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

## Notes to the financial statements (continued)

### 3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experiences, knowledge and practice, in addition to expectations of future events which are reasonable under the circumstances. There are not considered to be any critical accounting judgements or estimates in respect of this company during the financial year.

### 4. Turnover

Analysis of turnover by category	2017	2016
	£'000	£'000
Development services	25,405	19,654
<b>At 31 March</b>	<b>25,405</b>	<b>19,654</b>

Analysis of turnover by geography	2017	2016
	£'000	£'000
United Kingdom	25,405	19,654
<b>At 31 March</b>	<b>25,405</b>	<b>19,654</b>

### 5. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2017	2016
	£'000	£'000
<b>Audit fees payable to the company's auditor</b>	<b>2</b>	<b>2</b>

In accordance with SI 2008/489 the company has not disclosed the fees payable to the Company's auditor for 'Other services' as this information is included in the consolidated financial statements of Together Housing Group.

### 6. Employees and directors

The Company did not employ any staff during the current year (2016: none).

None of the directors received any remuneration during the financial year in respect of their services as directors of the Company (2016: none).

## Notes to the financial statements (continued)

7. Income tax  
a. Analysis of credit in period

	2017	2016
	£'000	£'000
- UK Corporation tax on profits for the year	-	-
- Adjustment in respect of prior periods	-	-
<b>Deferred tax</b>		
<i>Origination of reversal of timing differences</i>		
Adjustment in respect of prior periods	(27)	-
Effect of tax rate change	2	-
Total deferred tax	<u>(25)</u>	<u>-</u>

- b. Reconciliation of tax charge

	2017	2016
	£'000	£'000
Loss on ordinary activities before tax	1	(149)
- Tax on profit on ordinary activities at standard corporation tax rate of 20%	-	(30)
- Adjustment to tax in respect of previous periods - deferred tax	(27)	-
- Adjust closing deferred tax to average rate of 17%	5	-
- Adjust opening deferred tax to average rate of 20%	(3)	-
- Unexplained difference	-	30
<b>Tax credit for year (Note 7a)</b>	<u>(25)</u>	<u>-</u>

### (c) Factors that may affect future tax charges

The Finance Act 2014, which was substantively enacted on 2 July 2014, included in legislation that reduced the main corporation tax rate to 20% from April 2015. A further reduction to 19% (effective from 1 April 2017) was substantively enacted in Finance (No 2 Act 2015) on 26 October 2015. The main rate of corporation tax will be reduced to 17% (effective 1 April 2020) as substantively enacted in Finance Act 2016 on 6 September 2016. These changes will reduce the company's future current tax charge accordingly.

### (d) Deferred tax

	2017	2016
	£	£
Accelerated capital allowances	-	-
Tax losses carried forward	(25)	-
Total deferred tax liability (note 8)	<u>(25)</u>	<u>-</u>

## Notes to the financial statements (continued)

### 8. Debtors

	2017	2016
	£'000	£'000
Amounts due from group undertakings	5,141	1,567
Other debtors	45	391
Deferred tax	25	-
Other tax and social security	36	-
	<u>5,247</u>	<u>1,958</u>

### 9. Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Amounts due to group undertakings	1,980	1,586
Trade creditors	2,050	6
Other creditors	1,665	1,187
	<u>5,695</u>	<u>2,779</u>

Ordinary share of £1 each. The shares provide a right to vote at general meetings.

<b>Allotted and fully paid</b>	2017	2016
At 1 April	£100	£100
Issued during the year	-	-
<b>At 31 March</b>	<u>£100</u>	<u>£100</u>

### 10. Reserves

Retained earnings includes all current and prior period retained profits and losses.

### 11. Related party transactions

The Company has taken advantage of the exemption not to report transactions with other wholly owned group members as permitted in FRS 102 section 33.1A. The group executive team are considered to be the key management personnel of the company, who are remunerated by Together Housing Association Limited.

### 12. Controlling parties

The Company's immediate parent undertaking is Together Housing Association Limited. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Together Housing Group Limited, a company incorporated in England and Wales. Copies of the Together Housing Group Limited consolidated financial statements can be obtained from the Company Secretary at Bull Green House, Bull Green, Halifax, West Yorkshire, HX1 2EB.