

Financial Statements

For the year ended 31 March 2020

Contents

Officers and Professional Advisers.....	3
Directors' Report.....	4
Statement of Directors' Responsibilities.....	5
Independent Auditors' Report.....	6
Statement of Comprehensive Income.....	9
Statement of Financial Position.....	10
Notes to the Financial Statements.....	11

REGISTRATION PARTICULARS:

Principal Office and Registered Address:
Clyde View
22 Pottery Street
Greenock PA15 2UZ

Home Fix SCOTLAND
Company Number: SC3228870

HOME FIX SCOTLAND
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020

Directors

Christopher Morgan (Chair)
Jillian Moffat
Richard Turnock
Mark Robson
Paul McDevitt

Secretary

Richard Turnock

Registered Address:

Clyde View
22 Pottery Street
Greenock
PA15 2UZ

Auditors

Armstrong Watson Audit Limited
1st Floor, 24 Blythswood Square
Glasgow
G2 4BG

Solicitors

Harper McLeod LLP
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

HOME FIX SCOTLAND

DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020. The company is a fully owned subsidiary of River Clyde Homes Limited. The company changed its name from River Clyde Property Management to Home Fix Scotland on 30th April 2019.

Principal Activities

The principal activity of the company during the year was the provision of planned maintenance, property investment projects and ground maintenance services to River Clyde Homes. The works and services are carried out by a specialist team of 51 staff (including 34 trades operatives).

Directors

The following directors held office:

Position	Name	
Director (Chair)	Christopher Morgan	Appointed 17 August 2018
Director	Richard Turnock	Appointed 16 August 2016
Director	Jillian Moffat	Appointed 17 November 2017
Director	Mark Robson	Appointed 12 June 2019
Director	Paul McDevitt	Appointed 19 November 2019

Impacts of COVID-19

The Company has prepared the financial statements on a going concern basis notwithstanding the COVID-19 virus. Whilst the Directors cannot envisage all possible circumstances that may impact the company in the future as a result of COVID-19, they believe that taking into account the ongoing support of the company's parent entity, River Clyde Homes, they will have sufficient resources to meet any liabilities as they fall due. A letter of support from River Clyde Homes is in place which confirms continued financial support and also that amounts owed would not be recalled by River Clyde Homes if it would prevent Home Fix Scotland from meeting its third-party obligations.

As such the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Information for auditors

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

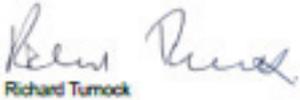
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

HOME FIX SCOTLAND
DIRECTORS REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Auditors

Armstrong Watson Audit Ltd, has indicated its willingness to continue in office.

Signed on behalf of the Directors:


Richard Turnock

25/3/20

HOME FIX SCOTLAND

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

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 those financial statements, the directors are required to:

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

HOME FIX SCOTLAND

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF HOME FIX SCOTLAND

FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Home Fix Scotland Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

HOME FIX SCOTLAND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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 the audit or otherwise appears to be materially misstated. 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 Report of the Directors.

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; 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' exemption from the requirement to prepare a Strategic Report.

HOME FIX SCOTLAND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out 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, and for such internal control as the directors determine 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.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Karen Rae FCCA
for and on behalf of Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Glasgow


Karen Rae

HOME FIX SCOTLAND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Turnover		6,602	2,784
Operating expenditure		(6,564)	(2,706)
Operating profit		38	78
Interest and Financing Costs	3	(27)	(25)
Profit on ordinary activities before taxation		11	53
Taxation on profit on ordinary activities	10	-	-
Total comprehensive profit for the year		11	53

HOME FIX SCOTLAND

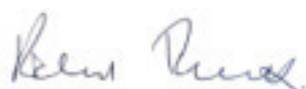
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible	4		105		135
Current Assets					
Stock	5	254		91	
Trade and other Debtors	6	1,136		598	
Cash and cash equivalents		1,904		477	
		<u>3,294</u>		<u>1,166</u>	
Creditors: amounts falling due within one year	7a	<u>(3,270)</u>		<u>(1,183)</u>	
Net current assets			24		(17)
Total assets less current liabilities			<u>129</u>		<u>118</u>
Creditors: amounts falling due after more than one year	7b		<u>-</u>		<u>-</u>
Total Net Assets			129		118
Reserves					
Share Capital (2 ordinary shares of £1 each)		-		-	
Profit and Loss Account	9	129		118	
			129		118

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements were approved and authorised for issue by the Directors on 25th August 2020 and signed on their behalf by:

Director:


Richard Turnock

HOME FIX SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1. **General information and Accounting Policies**

Home Fix Scotland is incorporated in Scotland under the Companies Act 2006 and is registered as a Private Company limited by shares with Companies House.

The Company's address and registered company number is listed on page 3. Its principal activities and the nature of its operations are detailed on page 4.

a) **Basis of Preparation**

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102, the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in Sterling (£) and rounded to the nearest thousand.

b) **Critical Accounting Estimates and Areas of Judgement**

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

i) The assessment of the stage of completion of development contracts gives rise to valuation estimation based on the degree of completion observed at the year end date. Projects are assessed by the in house quantity surveyor and appropriate amounts based on the assessed level of completion are accrued.

ii) Stocks are valued on an annual basis, taking into consideration the when items were originally purchased and the company's ability to utilise said items. Where it is considered that the net realisable value of stocks have fallen below their respective costs a provision is made against the stock value in the financial statement.

c) **Turnover**

Turnover comprises intercompany sales income receivable in the period.

Sales Income is recognised based on the estimated percentage of completion.

HOME FIX SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

d) Value added tax

The Company is registered for VAT. All its income is exempt for VAT purposes, due to the nature of its activities being Inter Company. Expenditure is charged to the Income and Expenditure Account inclusive of VAT.

e) Pension

The Company participates in Scottish Housing Company's pension scheme. The scheme is a multi-employer defined contribution scheme managed by the Pension Trust. The contributions applicable to the scheme are:

Employers Pension Contribution 4%
Employee Pension Contribution 4%

f) Deposits and Liquid Resources

Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

g) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when Home Fix Scotland is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

FRS102 requires Home Fix Scotland to recognise the cost of all employee benefits to which its employees have become entitled as a result of service rendered during the reporting period. The amount calculated for holiday pay entitlement at 31 March 2020 which had not been taken as at that date by employees was £nil.

HOME FIX SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

h) Financial Instruments

Financial Instruments are classified as basic or non-basic as set out in the FRS102. Basic loans are accounted for at amortised cost applying the effective interest method. Non basic financial instruments are accounted for at fair value with changes to the fair value taken through the Comprehensive Statement of Income.

i) Deferred Tax

Deferred tax is recognised in respect of all timing differences that have not originated but not reversed at the date of the Statement of Financial Position 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

j) Taxation

Home Fix Scotland is subject to Corporation Tax on its applicable activities. Any payments due for corporation tax will be recognised.

HOME FIX SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

k) Going concern

The Directors consider on an annual basis the appropriateness of preparing the Company's Financial Statements on a going concern basis. Matters which are taken into account in this process include:

- The prevailing economic climate, both internationally and locally and its impact, if any, on the Company's viability.
- The financial position of the Company and the impact, if any, of perceived weaknesses on the Company's viability.
- The short, medium and long term financial prospects resulting from the modelling exercise carried out annually in updating the Company's 30 year Business Plan including sensitivity analyses and independent verification of key underlying assumptions.

The Company has prepared the financial statements on a going concern basis notwithstanding the COVID-19 virus. Whilst the Directors cannot envisage all possible circumstances that may impact the company in the future as a result of COVID-19, they believe that taking into account the ongoing support of the company's parent entity, River Clyde Homes, they will have sufficient resources to meet any liabilities as they fall due. A letter of support from River Clyde Homes is in place which confirms continued financial support and also that amounts owed would not be recalled by River Clyde Homes if it would prevent Home Fix Scotland from meeting its third party obligations.

As such the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**l) Depreciation
Plant & Machinery**

Plant and machinery is stated at cost less accumulated depreciation. Depreciation is charged based on the useful life of each component and calculated straight line over 2 years and 5 years depending on the nature of the asset.

m) Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value is calculated as estimated sales proceeds less costs to sell. Cost is calculated using the weighted average costing method.

HOME FIX SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. Operating Profit

	2020	2019
	£'000	£'000
<i>Operating profit is stated after debiting:</i>		
<i>Auditors remuneration for statutory audit</i>	6	2
	6	2

3. Interest and Financing Costs

	2020	2019
	£'000	£'000
Interest Payable to Group Undertakings	27	25
Other Amounts Payable to Group Undertakings	294	213
	321	238

4. Tangible Assets

	Plant and Machinery	Total
	£'000	£'000
Cost		
At 1 April 2019	172	172
Additions during the period	6	6
Disposals during the period	-	-
At 31 March 2020	178	178
Depreciation		
At 1 April 2019	37	37
Provided during the period	36	36
Disposals during the period	-	-
At 31 March 2020	73	73
Net Book Value		
As at 31 March 2020	105	105
As at 31 March 2019	135	135

Plant and machinery with a carrying value of £25,173 (2019: £54,228) are held under finance leases.

HOME FIX SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. Stock	2020	2019
	£'000	£'000
General stock	254	91
	254	91

6. Debtors due within one year	2020	2019
	£'000	£'000
Amounts due from Group Undertakings	1,125	598
Prepayments	11	-
	1,136	598

7. Creditors due within one year	2020	2019
	£'000	£'000
Amounts due to Group Undertakings	2,033	546
Loans from Group Undertakings	497	497
Other taxation and social security	36	30
Accruals and other creditors	704	110
	3,270	1,183

In October 2016, Home Fix Scotland entered into an intercompany loan agreement of £500,000 with its parent River Clyde Homes. Loans from Group undertakings are repayable at a fixed interest rate of 5% per annum.

Loans

Loans are repayable in instalment due as follows:-

	2020	2019
	£'000	£'000
In one year or less	497	497
	497	497

HOME FIX SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2020

7b. Creditors due over one year

	2020	2019
	£'000	£'000
Accruals and other creditors	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

8. Employees

	2020	2019
	No.	No.
The average full time equivalent number (including key management personnel) of persons employed by the Company during the period were as follows:	94.5	48.3
Management & Administration	20.0	6.8
Operations	74.5	41.5
	£'000	£'000
Wages and salaries	3,042	1,453
Social security costs	276	123
Other pension costs	268	46
Staff costs during period	<u>3,586</u>	<u>1,622</u>

Directors' remuneration

	2020	2019
	£'000	£'000
Directors' emoluments	87	-
Social security costs	10	-
Other pension costs	3	-
	<u>100</u>	<u>-</u>

HOME FIX SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2020

9. Reconciliation of movement in reserves

Profit & Loss Reserve	2020	2019
	£'000	£'000
Opening funds	118	65
Profit for period	11	53
Profit & Loss reserve at end of year	129	118

River Clyde Homes Group owns 2 ordinary shares of £1 each in Home Fix Scotland, representing a 100% shareholding.

10. Related Party Transactions

	Owners holding a participating interest in the company		Directors	
	2020	2019	2019	2018
	£'000	£'000	£'000	£'000
Sales of goods in year	6,508	2,784	-	-
Purchases of goods in year	294	213	-	-
Loans held during the year	497	497	-	-
Owed by related parties at 31 March	2,033	546	-	-
Owed to related parties at 31 March	1,125	598	-	-

11. Ultimate Controlling Party

The company is controlled by River Clyde Homes, a company registered in Scotland and a registered charity, which wholly controls the company. The ultimate controlling party is the same as the controlling party.

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £55,702 (2019 - £46,000). Contributions totalling £18,694 (2019 - £7,310) were payable to the fund at the reporting date and are included in creditors

HOME FIX SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2020

13. COVID-19 impact

The world health organisation announced a global pandemic of COVID-19 on 11 March 2020 which was subsequently followed by a nationwide wide lockdown on the 23 March 2020. The impact on the company's performance in the current year has not been materially impacted by these events. The directors have assessed the possible future impact on the company and continue to monitor the effects against projected budgets for the 2021 period. Whilst the Directors cannot envisage all possible circumstances that may impact the company in the future as a result of COVID-19, they believe that taking into account the ongoing support of the company's parent entity, River Clyde Homes, that Home Fix Scotland will have sufficient resources to meet any liabilities as they fall due.

