



**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**31 MARCH 2021**

**County Town Homes (Stafford) Limited  
The Rurals, 1 Parker Court, Staffordshire  
Technology Park, Beaconside, Stafford, ST18 0WP  
Registration No. 10584130**

*A member of The Housing Plus Group*

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## BOARD OF DIRECTORS, ADVISORS AND BANKERS

Board of Directors		
	Date Appointed	Date Resigned
R B Lawrence	01 October 2019	30 April 2020
V M Cross	01 October 2019	
J D Burt (Chair)	01 November 2019	
I Farrell	01 November 2019	
P J Ingle	01 November 2019	
K A Shaw	01 November 2019	

Secretary		
I E Molyneux	01 October 2019	

<b>Registered Office</b>	The Rurals 1 Parker Court Staffordshire Technology Park Beaconside Stafford ST18 0WP
<b>Registered Company Number</b>	10584130
<b>Auditors</b>	KPMG LLP (appointed 12 November 2020) 1 Snow Hill Queensway Birmingham B4 6GH
<b>Solicitors</b>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
<b>Bankers</b>	Barclays Bank Barclays Bank Social Housing Team, PO Box 3333, 15 Colmore Row, Birmingham B3 2WN

## **REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2021**

County Town Homes (Stafford) Limited is a wholly owned trading subsidiary of Stafford and Rural Homes (SARH). The Board of Directors presents its Report and the Audited Financial Statements for the period ended 31 March 2021. In preparing this report, the directors have taken advantage of the exemption from the requirement to prepare a strategic report.

### **Principal Activities**

The company was incorporated on 25 January 2017 to deliver new build developments for outright sale. Any taxable profits will be gift aided in full to the parent company within 9 months of the period end.

### **Results and dividends**

The loss for the period, after taxation, amounted to £184k (2020: £56k). The directors do not recommend the payment of a dividend.

### **The Board of Directors**

The Directors who served in the period, and up to the date of signing, are listed at page 1.

### **Going concern**

County Town Homes has been incorporated to deliver new build developments for outright sale and is funded through an intragroup loan agreement with SARH and therefore its ongoing operations are closely aligned to the SARH Business Plan.

After reviewing the long term financial plan based on normal business planning and control procedures and having received confirmation of continued support from Stafford and Rural Homes, the members of the Board have a reasonable expectation that County Town Homes has adequate resources to continue in operational existence for the foreseeable future.

The ongoing impact of the Covid 19 outbreak has been considered by the Directors, and as their main customer is Stafford and Rural Homes, who have confirmed their support, the outbreak does not pose a material uncertainty that would cast doubt on the Company's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

### **External Auditors**

A resolution to appoint External Auditors will be proposed at the next Annual General Meeting.

**REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2021  
(CONTINUED)**

**Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

The report of the Board was approved by the Board on 19 July 2021 and signed on its behalf by:



**P J Ingle  
Director**



**I E Molyneux  
Company Secretary**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNTY TOWN HOMES (STAFFORD) LIMITED**

### **Opinion**

We have audited the financial statements of County Town Homes (Stafford) Limited ("the company") for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Reserves and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNTY TOWN HOMES (STAFFORD) LIMITED (CONTINUED)**

reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit and risk committee as to the Company’s high-level policies and procedures to prevent and detect fraud and the Company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit and risk committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Company management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited revenue transactions during the period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNTY TOWN HOMES (STAFFORD) LIMITED (CONTINUED)**

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect health and safety and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNTY TOWN HOMES (STAFFORD) LIMITED (CONTINUED)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNTY TOWN HOMES (STAFFORD) LIMITED (CONTINUED)**

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.



**Sarah Brown (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

8 September 2021

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2021**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		£'000	£'000
Turnover		750	-
Operating costs	3	(934)	56
Operating loss for the financial period	4	(184)	(56)
Loss on ordinary activities before taxation		(184)	(56)
Tax on loss on ordinary activities	5	-	-
Loss for the financial period		(184)	(56)
Other comprehensive income		-	-
Total comprehensive loss		(184)	(56)

The results stated above are derived from continuing activities.

The notes on pages 12 to 17 form part of these Financial Statements.

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2021**

	<b>Note</b>	<b>2021</b> £'000	<b>2020</b> £'000
<b>Current Assets:</b>			
Stock	6	-	870
Cash		14	7
		<hr/>	<hr/>
		14	877
<b>Creditors:</b> amounts falling due within one year	7	(184)	(138)
		<hr/>	<hr/>
<b>Net current (liabilities)/ assets</b>		(170)	739
		<hr/>	<hr/>
<b>Creditors:</b> amounts falling due after more than one year	8	(75)	(800)
		<hr/>	<hr/>
<b>Net Liabilities</b>		(245)	(61)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital and capital contribution	9	50	50
Profit and loss account		(295)	(111)
		<hr/>	<hr/>
<b>Total reserves</b>		(245)	(61)
		<hr/>	<hr/>

The Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The Financial Statements were authorised and approved by the Board on 19 July 2021 and signed on its behalf by:



**P J Ingle**  
**Director**



**I E Molyneux**  
**Company Secretary**

The notes on pages 12 to 17 form part of these Financial Statements.  
Registered Company no. 10584130

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**STATEMENT OF CHANGES IN RESERVES**  
**For the year ended 31 March 2021**

	<b>2021</b>	<b>2020</b>
	<b>Income and expenditure reserve</b>	<b>Income and expenditure reserve</b>
	£'000	£'000
<b>Balance at 1 April</b>	(111)	(55)
<b>Deficit for the year</b>	(184)	(56)
<b>Balance at 31 March</b>	<u>(295)</u>	<u>(111)</u>

The notes on pages 12 to 17 form part of these Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Legal status

County Town Homes (Stafford) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

### 2. Accounting policies

#### **Basis of preparation of Financial Statements**

The Financial Statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

#### **Going concern**

The accounts have been prepared in accordance with applicable accounting standards under the historical cost accounting rules and on a going concern basis.

We have made an assessment of the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. The ongoing impact of the Covid 19 outbreak has been considered by the Directors. Housing developments were halted during the start of 2020/21 due to restrictions imposed by the government but onsite work has recommenced as lockdown restrictions have been eased.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its intermediate parent, Stafford and Rural Homes to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Stafford and Rural Homes not seeking repayment of the amounts currently due to the group, which at 31 March 2021 amounted to £244k, and providing additional financial support during that period. Stafford and Rural Homes has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Group structure

County Town Homes (Stafford) Limited is a wholly owned subsidiary of Stafford and Rural Homes Limited.

### Turnover

Turnover is recognised either through stage payments where properties are sold through section 106 agreements or exchange of contracts with individuals.

County Town Homes secured its first land site in February 2018. The site was sold in 2020/21 due to its small scale and the turnover in the year reflects the proceeds on sale.

### Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

### Tax

Where profits on ordinary activities before tax are generated, County Town Homes will gift aid the profits to the parent within nine months of the year end taking account of any taxable losses carried forward.

### Stock

Stocks are stated at the lower of cost and net realisable value.

### Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### **Pensions**

The Company does not operate a pension scheme.

### **Judgement in applying accounting policies and key sources of estimating uncertainty**

In preparing these Financial Statements, the directors have had to make the following judgements:

None



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Turnover, operating costs and loss on ordinary activities before taxation**

	Turnover	2021 Operating costs	Loss on ordinary activities before taxation	2020 Loss on ordinary activities before taxation
	£'000	£'000	£'000	£'000
Development Services	750	(934)	(184)	(56)
Total	750	(934)	(184)	(56)

**4. Loss on ordinary activities before taxation**

This is arrived at after charging:

	2021	2020
	£'000	£'000
Auditor's remuneration (including VAT)		
- Fees for audit services	4	4
- Fees for other services	3	-
Interest payable to parent company (Note 8)	42	40

**5. Tax on loss on ordinary activities**

	2021	2020
	£'000	£'000
Loss on ordinary activities before tax	(184)	(59)
Tax on profit / (loss) on ordinary activities at standard CT rate of 19% (2020: 19%)	(35)	(11)
Gift Aid payment not subject to UK taxation	-	-
Deferred tax not recognised	35	11
Total charge / (credit) for the period	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. Stock**

	<b>2021</b>	<b>2020</b>
	£'000	£'000
Work in Progress – developments	-	870
Total	-	870

**7. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	£'000	£'000
Amounts owed to group undertakings are interest free and repayable on demand	177	126
Accruals and deferred income	7	12
Total	184	138

**8. Loans and borrowing**

	<b>2021</b>	<b>2020</b>
	£'000	£'000
<b>Maturity of debt</b>		
Between one and two years	75	800
Total	75	800

A facility of £4.95m has been made available by the parent company. £75k has been drawn with a weighted average interest of 4.8%. Loans are held on a floating charge basis.

**9. Share capital and capital contribution**

	<b>2021</b>	<b>2020</b>
	£'000	£'000
<b>Authorised, allotted, called up and fully paid.</b>		
1 ordinary share of £1	-	-
Capital contribution	50	50
Total	50	50

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. Reserves

The company's capital and reserves are as follows:

#### ***Called up share capital***

Called up share capital represents the nominal value of the shares issued.

#### ***Capital contribution***

Start up capital contribution from the parent company.

#### ***Profit and loss account***

The profit and loss account represents cumulative profits or losses.

### 11. Employees and Directors' Remuneration

Other than the directors, County Town Homes has no direct employees.

Directors are considered the key management personnel of the company.

During the period there was director's remuneration paid of £nil (2020: £5,267).

### 12. Contingent liabilities and commitments

The company had no known contingent liabilities or commitments at 31 March 2021.

### 13. Related party transactions

The company has taken advantage of the exemption by S33.1A of FRS102 not to disclose related party transactions with other group companies.

### 14. Ultimate Parent Company

The ultimate parent undertaking and controlling party is The Housing Plus Group Limited, a Registered Provider (Registered Co-operative and Community Benefit Society No. 30224R). Copies of the consolidated financial statements of The Housing Plus Group Limited can be obtained from its registered office, Acton Court, Acton Gate, Stafford ST18 9AP.