



**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**31 MARCH 2020**

**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

<b>Board of Directors</b>		
	<b>Date Appointed</b>	<b>Date Resigned</b>
P R Green	13 April 2017	01 October 2019
K L Armitage	13 April 2017	01 October 2019
C J Poulton	13 April 2017	01 October 2019
P Wisher	27 April 2017	01 October 2019
R B Lawrence	01 October 2019	30 April 2020
V M Cross	01 October 2019	
J D Burt (Chair from 1 May 2020)	01 November 2019	
I Farrell	11 November 2019	
P J Ingle	01 November 2019	
K A Shaw	01 November 2019	

<b>Secretary</b>		
S J Duffill	02 May 2017	01 October 2019
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>	BDO LLP 2 Snow Hill Queensway Birmingham B4 6GA
<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 2020**

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 2020. 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 £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 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 2020 (CONTINUED)

### Statement of the Directors' Responsibilities

The directors are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

So far as each of the directors are aware:

- There is no relevant audit information of which the company's auditors are unaware;
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

The report of the Board was approved by the Board on 20 July 2020 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 2020 which comprise the statement of comprehensive income, the statement of financial position, statement of changes in reserves 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 loss 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 Auditor’s 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.

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

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions 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; and
- the Directors' report 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 Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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

### **Responsibilities of Directors**

As explained more fully in the Statement of Responsibilities of the Board, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial Statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Kyla Bellingall (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham

DATE: 9 September 2020



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

## STATEMENT OF COMPREHENSIVE INCOME

<b>For the period ended 31 March 2020</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		£'000	£'000
Turnover		-	-
Operating costs	3	56	39
Operating loss for the financial period	4	(56)	(39)
Loss on ordinary activities before taxation		(56)	(39)
Tax on loss on ordinary activities	5	-	-
Loss for the financial period		(56)	(39)
Other comprehensive income		-	-
Total comprehensive loss		(56)	(39)

The results stated above are derived from continuing activities.

The notes on pages 10 to 16 form part of these Financial Statements.

## STATEMENT OF FINANCIAL POSITION

Registered Company no. 10584130

<b>As at 31 March 2020</b>	<b>Note</b>	<b>2020</b> £'000	<b>2019</b> £'000
<b>Current Assets:</b>			
Stock	6	870	838
Bank		7	7
		<hr/>	<hr/>
		877	845
<b>Creditors:</b> amounts falling due within one year	7	138	50
		<hr/>	<hr/>
<b>Net current assets</b>		739	795
		<hr/>	<hr/>
<b>Creditors:</b> amounts falling due after more than one year	8	800	800
		<hr/>	<hr/>
<b>Net Liabilities</b>		(61)	(5)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital and capital contribution	9	50	50
Profit and loss account		(111)	(55)
		<hr/>	<hr/>
<b>Total reserves</b>		(61)	(5)
		<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 20 July 2020 and signed on its behalf by:



**P J Ingle**  
Director



**I E Molyneux**  
Company Secretary

The notes on pages 10 to 16 form part of these Financial Statements.

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**STATEMENT OF CHANGES IN RESERVES**

Registered Company no. 10584130

**For the year ended 31 March**

	<b>2020</b>	<b>2019</b>
	<b>Income and expenditure reserve</b>	<b>Income and expenditure reserve</b>
	£'000	£'000
<b>Balance at 1 April 2019</b>	(55)	(16)
<b>Deficit for the year</b>	(56)	(39)
<b>Balance at 31 March 2020</b>	<u>(111)</u>	<u>(55)</u>

## 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.

In preparing the separate Financial Statements of the parent company, County Town Homes has taken advantage of the following disclosure exemptions available in FRS 102:-

- No cashflow statement has been presented for the company;
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals of the group as a whole; and
- Related party transactions entered into between two or more members of the group.

#### **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 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 company develops properties for outright sales and is funded by its immediate parent, Stafford and Rural Homes. A development agreement is in place between Stafford and Rural Homes and the company but as set out in note 8 the debt is repayable on demand. As such the company is reliant upon its parent which has confirmed in writing its commitment to support the company financially for a period of at least 12 months from the signing of the accounts and audit report.

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

Given this support, the Board believe that while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the company's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from signing of the accounts and audit report. The Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

### **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 first properties sold on the open market are expected in the 2022/23 financial year.

### **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.

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

### **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of 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	2020 Operating costs	Loss on ordinary activities before taxation	2019 Loss on ordinary activities before taxation
	£'000	£'000	£'000	£'000
Development Services	-	56	(56)	(39)
Total	-	56	(56)	(39)

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

This is arrived at after charging:

	2020	2019
	£'000	£'000
Auditor's remuneration (including VAT) for audit services	4	3
Interest payable to parent company (Note 8)	40	20

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

	2020	2019
	£'000	£'000
Loss on ordinary activities before tax	(56)	(39)
Corporation tax on ordinary activities at 19% (if not gift aided)	-	-
Gift Aid payment not subject to UK taxation	-	-
Corporation tax if gift aided to parent	-	-
Total tax charge	-	-

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

**6. Stock**

	<b>2020</b>	<b>2019</b>
	£'000	£'000
Work in Progress – developments	870	838
Total	<u>870</u>	<u>838</u>

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

	<b>2020</b>	<b>2019</b>
	£'000	£'000
Amount owed to group undertakings are interest free and repayable on demand	126	50
Accruals and deferred income	12	-
Total	<u>138</u>	<u>50</u>

**8. Loans and borrowing**

	<b>2020</b>	<b>2019</b>
	£'000	£'000
<b>Maturity of debt</b>		
Between one and two years	800	800
Total	<u>800</u>	<u>800</u>

A facility of £4.95m has been made available by the parent company. £800k 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>2020</b>	<b>2019</b>
	£'000	£'000
<b>Authorised, allotted, called up and fully paid.</b>		
1 ordinary share of £1	-	-
Capital contribution	50	50
Total	<u>50</u>	<u>50</u>



## 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 £5,267 (2019: £9,772).

### 12. Contingent liabilities and commitments

The company had no known contingent liabilities or commitments at 31 March 2020.

### 13. Related party transactions

Related party transactions in the period, other than directors remuneration as noted in note 11 were as follows.

	2020	2019
To/(from) Stafford & Rural Homes	£'000	£'000
Intra-group loan	-	(700)
Operational expenditure & loan interest	(75)	-
To/(from) Housing Plus Group		
Operational expenditure	(1)	-
	<hr/>	<hr/>
	(76)	(700)
	<hr/>	<hr/>

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

### **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.

### **15. Post Balance Sheet Events**

The outbreak of the Covid-19 pandemic is an in-year event reflected in the financial statements to 31 March 2020. The pandemic has impacted on the operations of the entity and this is expected to continue into the 2020/21 financial year. From a financial perspective activity has reduced due to lockdown which may reduce income however, as detailed in note 2, the Directors are satisfied that the company is a going concern.