



**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**31 MARCH 2020**

**Housing Worx Limited**

**The Rurals, 1 Parker Court, Staffordshire  
Technology Park, Beaconside, Stafford, ST18 0WP**

**Registration No. 07988482**

*A member of The Housing Plus Group*

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## BOARD OF DIRECTORS, ADVISORS AND BANKERS

Board of Directors		
	Date Appointed	Date Resigned
V M Cross	01 October 2019	
R B Lawrence (Chair)	01 October 2019	30 April 2020
J D Burt (Chair as of 1 May 2020)	01 November 2019	
I Farrell	01 November 2019	
P J Ingle	01 November 2019	
K A Shaw	01 November 2019	
K Armitage	13 March 2012	01 October 2019
S Nicholls	24 May 2012	31 July 2019
H Podmore	18 June 2013	24 April 2019
C Poulton	25 July 2013	01 October 2019
P Wisher	05 October 2017	01 October 2019

Secretary		
S 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>	07988482
<b>Auditors</b>	BDO LLP Two Snowhill 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**

Housing Worx 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 year ended 31st 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 provides housing improvement services to Stafford and Rural Homes (SARH), including the installation of kitchens, bathrooms and internal doors to SARH housing properties. The company also undertakes electrical testing and upgrades to SARH housing properties. The company provides property improvement services to other commercial entities. The company provides telecare services to other Registered Providers and Local Authorities. The company also receives feed-in-tariff income from Good Energy Limited from solar panel installations. The taxable profits will be gift aided in full to the parent company within 9 months of the year end.

### **Results and dividends**

The profit for the period, after taxation, amounted to £819k. The directors have recommended the payment of a dividend.

### **The Board of Directors**

The directors who served in the year are listed on page 1.

### **Going Concern**

Housing Worx provides housing improvement services to Stafford and Rural Homes 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 Housing Worx 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 HOUSING WORX LIMITED**

### **Opinion**

We have audited the financial statements of Housing Worx 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 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 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 HOUSING WORX 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 HOUSING WORX 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

## STATEMENT OF COMPREHENSIVE INCOME

	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>For the year ended 31 March</b>			
		£'000	£'000
Turnover	3	6,210	6,557
Operating costs	3	5,391	5,566
Operating profit for the financial year		819	991
Profit on ordinary activities before taxation	4	819	991
Tax on profit on ordinary activities	7	-	-
Profit for the financial period		819	991
Other comprehensive income		-	-
Total comprehensive income		819	991

The results stated above are derived from continuing activities.

The notes on pages 10 to 15 form part of these Financial Statements.

## STATEMENT OF FINANCIAL POSITION

Registered Company no. 07988482

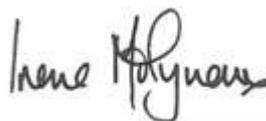
<b>As at 31 March</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
Fixed Assets	8	-	-
Current Assets:			
Stock		70	66
Debtors	9	351	522
Bank		598	903
		<u>1,019</u>	<u>1,491</u>
Creditors: amounts falling due within one year	10	228	517
Net current assets		<u>791</u>	<u>974</u>
Total assets less current liabilities		<u>791</u>	<u>974</u>
Capital and reserves			
Share Capital	11	-	-
Profit and loss account		791	974
Shareholders funds		<u>791</u>	<u>974</u>

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 15 form part of these Financial Statements.

**STATEMENT OF CHANGES IN RESERVES**

<b>For the year ended 31 March</b>	<b>2020</b>	<b>2019</b>
	<b>Income and expenditure reserve</b>	<b>Income and expenditure reserve</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 April 2019</b>	974	1,075
<b>Surplus/(deficit) for the year</b>	819	991
<b>Distribution:</b>		
Gift aid	(1,002)	(1,092)
<b>Balance at 31 March 2020</b>	<u>791</u>	<u>974</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Legal status

Housing Worx 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, Housing Worx 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.

The impact of the Covid 19 outbreak has been considered by the Directors. Planned maintenance works were halted during the start of 2020/21 due to restrictions imposed by the government. The impact of this was partially offset by furloughing some employees and it is anticipated that Housing Worx will still return a surplus in 2020/21 financial year.

The company provides essential repairs and maintenance services to Stafford and Rural Homes, its immediate parent, and is therefore an integral part of the Group's activity and the 30 year business plan. As such, the Board is confident that demand will continue and that it has the continued support of the group.

Given the nature of the company's services to the group, group support and its trading performance, 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.

#### Turnover

Turnover represents income on contracts received from Stafford and Rural Homes, property improvement services to other commercial entities, income from telecare contracts with other Registered Providers and Local Authorities and income from the sale of electricity generated by solar panels to Good Energy Limited.

Turnover is recognised upon dispatch of goods or provision of services.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### **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. 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.

### **Tax**

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

### **Debtors**

Short term debtors are measured at the transaction price.

### **Creditors**

Short term creditors are measured at the transaction price.

### **Fixed Assets**

Fixed assets are valued at historical cost, depreciated over their useful economic life so as to write-down the cost of each asset to its estimated residual value, on a straight line basis over its estimated useful economic life based on the following periods:

Equipment – 3 year

### **Stocks**

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

### **Reserves**

Operating profits will be returned to the parent company by way of gift aid and the gift aid payment is provided for in the year the profit is generated. Any value held in reserves is due to the difference between depreciation charged and capital allowances received.

### **Group structure**

Housing Worx Limited is a wholly owned subsidiary of Stafford and Rural Homes Limited

### **Pensions**

The Company operates a defined contribution pension scheme and the pension charges in the year are detailed in note 13.

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

None

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

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

	<b>2020</b>		<b>2019</b>	
	<b>Turnover</b>	<b>Operating costs</b>	<b>Profit on ordinary activities before taxation</b>	<b>Profit on ordinary activities before taxation</b>
	£'000	£'000	£'000	£'000
Property Improvements	5,045	4,434	611	939
Other Sundry Income	1,165	957	208	52
<b>Total</b>	<b>6,210</b>	<b>5,391</b>	<b>819</b>	<b>991</b>

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

This is arrived at after charging:

	<b>2020</b>	<b>2019</b>
	£'000	£'000
Auditor's remuneration (including VAT) for audit services	6	5
Depreciation	-	22
	<b>6</b>	<b>27</b>

**5. Employees**

	<b>2020</b>	<b>2019</b>
	No's	No's
Average monthly number of employees expressed in full time equivalents:	30	28
Of which:		
Finance	-	-
Operations	30	28
Staff costs for the above persons were	<b>2020</b>	<b>2019</b>
	£'000	£'000
Wages and salaries	793	740
Social security costs	59	59
Other pension costs	26	16
	<b>878</b>	<b>815</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6. Board of Directors

During the period there was director's remuneration paid of £6,668 (2019: £7,328).

### 7. Tax on profit on ordinary activities

	2020	2019
	£'000	£'000
Current tax		
Profit on ordinary activities before tax	819	991
Corporation tax on ordinary activities at 19% (if not gift aided)	156	188
Gift aid payment not subject to UK tax	(819)	(991)
Corporation tax if gift aided to parent	-	-
Corporation tax charge	-	-
Total tax charge	-	-

The £819k profit on ordinary activities before tax will be gift aided to the parent company within 9 months of the year end.

### 8. Fixed Assets

#### Equipment

Cost	£'000
At 1 April 2019	110
At 31 March 2020	110

#### Depreciation

At 1 April 2019	(110)
Depreciation charged in year	-
At 31 March 2020	(110)

#### Net Book Value

At 31 March 2019	-
At 31 March 2020	-

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. Debtors

	2020	2019
	£'000	£'000
Debtors and accrued income	26	138
Prepayments	20	30
Amount owed from group undertakings are interest free and repayable on demand	305	354
	<u>351</u>	<u>522</u>

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

	2020	2019
	£'000	£'000
Trade creditors	82	270
Amount owed to group undertaking are interest free and repayable on demand	2	-
Other taxation and social security	22	39
Accruals and deferred income	122	208
	<u>228</u>	<u>517</u>

### 11. Share capital

	2020	2019
	£'000	£'000
Allotted, called up and fully paid 1 ordinary share of £1 each	<u>-</u>	<u>-</u>

### 12. 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.

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

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

### 13. Pension Commitments

The company operates a defined contribution 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 £25,901 in the year. (2019: £15,893)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14. Contingent liabilities

The company had no known contingent liabilities at 31 March 2020 (2019: nil).

### 15. Related party transactions

Related party transactions in the period, other than directors remuneration as noted in note 6 were as follows.

	<b>2020</b>	<b>2019</b>
	£'000	£'000
To/(from) Stafford & Rural Homes		
Management Costs	(478)	(302)
Solar Panel rental	(35)	(58)
Gift aid donation	(1002)	(1,092)
Housing improvement works	4,982	5,677
	<u>3,467</u>	<u>4,225</u>
To/(From) Housing Plus Group	<u>(2)</u>	-
	3,465	4,225

### 16. Ultimate Parent Company

The ultimate parent undertaking and controlling party is The Housing Plus Group Limited, a Registered Provider (Registered as a Charitable 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.

### 17. 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.