



**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

31 MARCH 2020

Development Worx Limited
The Rurals, 1 Parker Court, Staffordshire Technology
Park, Beaconside, Stafford, ST18 0WP
Registration No. 09592448

A member of The Housing Plus Group

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BOARD OF DIRECTORS, ADVISORS AND BANKERS

Board of Directors		
	Date Appointed	Date Resigned
J D Burt (Chair from 1 May 2020)	01 November 2019	
I Farrell	01 November 2019	
P J Ingle	01 November 2019	
K A Shaw	01 November 2019	
R B Lawrence (Chair)	01 October 2019	30 April 2020
V M Cross	01 October 2019	
S J Duffill	02 May 2017	01 October 2019
T J Harris	10 May 2018	01 October 2019

Secretary		
I E Molyneux	01 October 2019	

Registered Office	The Rurals 1 Parker Court Staffordshire Technology Park Beaconside Stafford ST18 0WP
Registered Company Number	09592448
Auditors	BDO LLP Two Snowhill Birmingham B4 6GA
Solicitors	Shakespeare Legal LLP Bridgeway House Stratford upon Avon CV37 6YX
Bankers	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

Development 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 design and build services to Stafford and Rural Homes (SARH) and will be the contracting vehicle for external partners, suppliers and contractors who support the SARH development programme. 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 £345k. The directors have not recommended the payment of a dividend.

The Board of Directors

The Directors who served in the year are listed at page 1.

Going concern

Development Worx provides design and build services for 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 Development 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 DEVELOPMENT WORX LIMITED

Opinion

We have audited the financial statements of Development 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 DEVELOPMENT 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 DEVELOPMENT 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

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

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March	Note	2020 £'000	2019 £'000
Turnover	3	7,419	5,340
Operating costs	3	7,074	5,095
Operating profit for the financial year		345	245
Profit on ordinary activities before taxation	4	345	245
Tax on profit on ordinary activities	6	-	-
Profit for the financial period		345	245
Other comprehensive income		-	-
Total comprehensive income		345	245

The results stated above are derived from continuing activities.

The notes on pages 10 to 14 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Registered Company no. 09592448

As at 31 March	Note	2020 £'000	2019 £'000
Current assets:			
Debtors	7	1,347	620
Bank		244	246
		<u>1,591</u>	<u>866</u>
Creditors: amounts due within one year	8	1,245	621
Net current assets		<u>345</u>	<u>245</u>
Total assets less current liabilities		345	245
Capital and reserves			
Share capital	9	-	-
Profit and loss account		345	245
Shareholders funds		<u>345</u>	<u>245</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 14 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March	2020	2019
	Income and expenditure reserve	Income and expenditure reserve
	£'000	£'000
Balance at 1 April 2019	245	40
Surplus for the year	345	245
Distribution:		
Gift aid	(245)	(40)
Balance at 31 March 2020	<u>345</u>	<u>245</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

Development 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, Development 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

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 development works were halted during the start of 2020/21 due to restrictions imposed by the government. As the entity doesn't directly employ staff, limited cost have been incurred in this period and onsite work has recommenced as lockdown restrictions have been eased.

The company provides design and build services to Stafford and Rural Homes, its immediate parent, and is therefore an integral part of the Group's activity and 30 year business plan. Income is generated as works are completed and charged to SARH. As such, the Board is confident that demand will continue, that the company has minimal exposure to any downturn and that it has the continued support of the group.

Given the strength of the company's balance sheet and the nature of its relationship with Stafford and Rural Homes and the Housing Plus Group, 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Turnover

Turnover represents income on contracts received from Stafford and Rural Homes, for the provision of design and build services.

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

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.

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, Development 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 intra-group and measured at the transaction price.

Creditors

Short term creditors are measured at the transaction price.

Stocks

Stocks are stated at the lower of net 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.

Group structure

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

Pensions

The Company does not operate a pension scheme.

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

	Turnover	2020 Operating costs	Profit on ordinary activities before taxation	2019 Profit on ordinary activities before taxation
	£'000	£'000	£'000	£'000
Development Services	7,419	7,074	345	245
Total	7,419	7,074	345	245

4. Profit on ordinary activities before taxation

This is arrived at after charging:

	2020 £'000	2019 £'000
Auditor's remuneration (including VAT) for audit services	4	3
	4	3

5. Board of Directors

During the period there was no director's remuneration paid.

6. Tax on profit on ordinary activities

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	345	245
Corporation tax on ordinary activities at 19% (if not gift aided)	66	47
Gift Aid payment not subject to UK taxation	(345)	(245)
Corporation tax if gift aided to parent	-	-
Corporation tax charge	-	-
Total tax charge	-	-

The £345k profit on ordinary activities before tax will be gift aided to the parent company within 9 months of the year end.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Debtors

	2020 £'000	2019 £'000
Amount owed from group undertakings are interest free and repayable on demand	1,344	612
Other taxation and social security	3	8
	<hr/> 1,347	<hr/> 620

8. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amount owed to group undertakings are interest free and repayable on demand	27	22
Accruals and deferred income	345	390
Trade Creditors	874	209
	<hr/> 1,245	<hr/> 621

9. Share Capital

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

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.

Profit and loss account

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

11. Contingent liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Related party transactions

Related party transactions in the period were as follows.

	2020	2019
To/(from) Stafford & Rural Homes	£'000	£'000
Management Costs	(118)	(109)
Gift aid donation	(245)	(40)
Development design and build services	7,419	5,340
	<u>7,056</u>	<u>5,191</u>
To/(from) Housing Plus Group		
Management Costs	(1)	-
	<u>7,055</u>	<u>5,191</u>

13. 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.

14. 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.