



ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2021



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

CONTENTS

BOARD OF DIRECTORS, ADVISORS AND BANKERS	1
REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2021.....	2
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPMENT WORX LIMITED.	4
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF FINANCIAL POSITION	10
STATEMENT OF CHANGES IN RESERVES	11
NOTES TO THE FINANCIAL STATEMENTS	Error! Bookmark not defined.

BOARD OF DIRECTORS, ADVISORS AND BANKERS

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

Secretary		
I E Molyneux	01 October 2019	

Registered Office	The Rurals 1 Parker Court Staffordshire Technology Park Beaconsfield Stafford ST18 0WP
Registered Company Number	09592448
Auditors	KPMG LLP (appointed 12 November 2020) One Snowhill Snowhill Queensway Birmingham B4 6GH
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham, B3 2ES
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 2021

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 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 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.

Results

The profit for the period, after taxation, amounted to £181k (2020 £345k). The taxable profits will be gift aided in full to the parent company within 9 months of the year end.

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 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 DEVELOPMENT WORX LIMITED

Opinion

We have audited the financial statements of Development Worx 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 profit 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 reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPMENT
WORX LIMITED (Continued)**

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 revenue is derived from intercompany transactions.

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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPMENT
WORX LIMITED (Continued)**

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.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPMENT
WORX LIMITED (Continued)**

- 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.

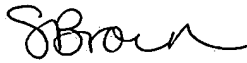
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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 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.

Development Worx Limited
31 March 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPMENT
WORX LIMITED (Continued)**



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	Note	2021 £'000	2020 £'000
Turnover	3	4,745	7,419
Operating costs	3	(4,565)	7,074
Operating profit for the financial year		181	345
Profit on ordinary activities before taxation	4	181	345
Tax on profit on ordinary activities	6	-	-
Profit for the financial period		181	345
Other comprehensive income		-	-
Total comprehensive income		181	345

The results stated above are derived from continuing activities.

The notes on pages 12 to 16 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Registered Company no. 09592448

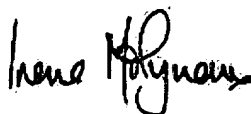
As at 31 March	Note	2021 £'000	2020 £'000
Current assets:			
Debtors	7	472	1,347
Cash		263	244
		<u>735</u>	<u>1,591</u>
Creditors: amounts due within one year	8	(554)	(1,245)
Net current assets		<u>181</u>	<u>345</u>
Total assets less current liabilities		181	345
Capital and reserves			
Share capital	9	-	-
Profit and loss account		<u>181</u>	<u>345</u>
Shareholders' funds		<u>181</u>	<u>345</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 19 July 2021 and signed on its behalf by:



P J Ingle
Director



I E Molyneux
Company Secretary

The notes on pages 12 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March	2021 Income and expenditure reserve £'000	2020 Income and expenditure reserve £'000
Balance at 1 April	345	245
Surplus for the year	181	345
Distribution:		
Gift aid	(345)	(245)
Balance at 31 March	<u>181</u>	<u>345</u>

The notes on pages 12 to 16 form part of these financial statements.

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.

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 ongoing 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.

The directors, after reviewing the company's budgets for 2021/22 and the group's medium term financial position as detailed in the 30-year business plan, including changes arising from the Covid-19 pandemic, are of the opinion that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Taxable profits will be returned to the parent company by way of gift aid. The gift aid is recognised in the period after the profits are 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	2021 Operating costs	Profit on ordinary activities before taxation £'000	2020 Profit on ordinary activities before taxation £'000
	£'000	£'000	£'000	£'000
Development Services	4,745	(4,565)	181	345
Total	4,745	(4,565)	181	345

4. Profit on ordinary activities before taxation

This is arrived at after charging:

	2021 £'000	2020 £'000
Auditor's remuneration (excluding VAT)		
- Fees for audit services	4	4
- Fees for other services	3	-

5. Board of Directors

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

6. Tax on profit on ordinary activities

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	181	345
Corporation tax on ordinary activities at 19% (if not gift aided)	34	66
Tax credit on Gift Aid	(34)	(66)
Gift Aid payment not subject to UK taxation	(181)	(345)
Corporation tax if gift aided to parent	-	-
Corporation tax charge	-	-
Total tax charge	-	-

The £181k profit on ordinary activities before tax will be gift aided to the parent company within 9 months of the year end. On this basis the tax credit in respect of Gift Aid has been recognised in the year ended 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Debtors

	2021 £'000	2020 £'000
Amounts owed from group undertakings are interest free and repayable on demand	470	1,344
Other taxation and social security	2	3
	<u>472</u>	<u>1,347</u>

8. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amount owed to group undertakings are interest free and repayable on demand	20	27
Accruals and deferred income	534	345
Trade Creditors	-	874
	<u>554</u>	<u>1,245</u>

9. Share Capital

	2021 £'000	2020 £'000
Allotted, called up and fully paid 1 ordinary share of £1 each	-	-

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 2021 (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. 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.

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.