

REGISTERED NUMBER: 09725702 (England and Wales)

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
CHAPTER HOMES DURHAM LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2021**

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CHAPTER HOMES DURHAM LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

DIRECTORS:	A P Palmer P F McDowell
SECRETARY:	K N Coulson-Patel
REGISTERED OFFICE:	County Hall Durham Durham DH1 5UL
REGISTERED NUMBER:	09725702 (England and Wales)
SENIOR STATUTORY AUDITOR:	David Holloway BA FCA DChA
AUDITORS:	Ribchesters Group Limited Registered Auditors Finchale House Belmont Business Park Durham DH1 1TW

CHAPTER HOMES DURHAM LIMITED (REGISTERED NUMBER: 09725702)

**BALANCE SHEET
31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Investment property	4		1,123,000		1,626,000
CURRENT ASSETS					
Stocks	5	8,696,307		5,686,242	
Debtors	6	139,957		98,102	
Cash at bank		<u>1,092,368</u>		<u>38,708</u>	
		9,928,632		5,823,052	
CREDITORS					
Amounts falling due within one year	7	<u>1,229,286</u>		<u>922,819</u>	
NET CURRENT ASSETS			<u>8,699,346</u>		<u>4,900,233</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,822,346		6,526,233
CREDITORS					
Amounts falling due after more than one year	8		(4,920,000)		(2,427,372)
PROVISIONS FOR LIABILITIES	10		<u>(980)</u>		<u>(23,401)</u>
NET ASSETS			<u>4,901,366</u>		<u>4,075,460</u>
CAPITAL AND RESERVES					
Called up share capital	11		3,000,000		2,545,000
Retained earnings	12		<u>1,901,366</u>		<u>1,530,460</u>
SHAREHOLDERS' FUNDS			<u>4,901,366</u>		<u>4,075,460</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 6 July 2021 and were signed on its behalf by:

P F McDowell - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. **STATUTORY INFORMATION**

Chapter Homes Durham Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose any and all related party transactions between the parent company and any wholly owned subsidiaries within the group.

Turnover

Turnover from private housing sales is recognised as the consideration received or receivable on legal completion, net of incentives.

Turnover on affordable housing contracts is recognised by reference to the stage of completion of the contract activity where the outcome of the contract can be reasonably estimated.

Rental income represents the amount of rental income falling due during the year, including rental income due but not received until after the year end.

Government grants

Government grants relating to revenue are recognised as income on a systematic basis over the periods in which the entity recognises the related costs from which the grant is intended to compensate.

Investment property

Investment property is shown at most recent valuation. The basis of valuation is open market value. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads which have been incurred in bringing the stocks to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Profit recognition

Profit arising from the sale of private residential properties is taken on legal completion. Residential development profit is calculated based on total expected revenues less total expected costs. Profit on affordable housing is only recognised by reference to the stage of completion when the outcome of the contract can be reasonably estimated. When it is probable that total costs will exceed total turnover the expected loss is recognised immediately.

Going concern

The directors assess whether the use of the going concern basis is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date on which the financial statements are approved.

The directors have prepared financial forecasts for a period in excess of 12 months from the date of this report. Whilst there is uncertainty around the global and national economy, the directors believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements due to the level of reserves and expected future trading prospects.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instrument.

Financial instruments are recognised in the company's balance sheet when the company becomes party to contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, other loans and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2020 - NIL).

4. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 April 2020	1,626,000
Disposals	(421,000)
Revaluations	(82,000)
At 31 March 2021	<u>1,123,000</u>
NET BOOK VALUE	
At 31 March 2021	<u>1,123,000</u>
At 31 March 2020	<u>1,626,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

4. INVESTMENT PROPERTY - continued

Fair value at 31 March 2021 is represented by:

Valuation in 2021	£ <u>1,123,000</u>
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If the investment properties had not been revalued they would have been included at the following historical cost:

	2021 £	2020 £
Cost	<u>1,110,121</u>	<u>1,485,148</u>

Investment property was valued on an open market basis on 26 March 2021 by Wisemove Land & Property Consultants Ltd .

5. STOCKS

	2021 £	2020 £
Stocks	2,894,570	652,181
Work-in-progress	<u>5,801,737</u>	<u>5,034,061</u>
	<u>8,696,307</u>	<u>5,686,242</u>

6. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	<u>115,345</u>	<u>73,490</u>
Amounts falling due after more than one year:		
Other debtors	<u>24,612</u>	<u>24,612</u>
Aggregate amounts	<u>139,957</u>	<u>98,102</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other loans	-	20,480
Trade creditors	353,332	261,568
Tax	109,553	89,103
Deferred income	34,870	12,574
Accrued expenses	660,960	539,094
Deferred government grants	<u>70,571</u>	<u>-</u>
	<u>1,229,286</u>	<u>922,819</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	2020
	£	£
Other loans	4,920,000	2,300,000
Accrued expenses	-	3,872
Deferred government grants	-	123,500
	<u>4,920,000</u>	<u>2,427,372</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Other loans	<u>4,920,000</u>	<u>2,300,000</u>

Other loans represent an unsecured flexible funding facility provided by the company's ultimate parent. This facility is due to be repaid by 30 September 2033.

9. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	5,544	5,544
Between one and five years	-	5,544
	<u>5,544</u>	<u>11,088</u>

10. **PROVISIONS FOR LIABILITIES**

	2021	2020
	£	£
Deferred tax	<u>980</u>	<u>23,401</u>
		Deferred tax
		£
Balance at 1 April 2020		23,401
Charge/(credit) on deferred tax due on fair value change of investments		(22,421)
Balance at 31 March 2021		<u>980</u>

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
3,000,000	Ordinary	£1	<u>3,000,000</u>	<u>2,545,000</u>

455,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

12. RESERVES

Included within retained earnings is £11,899 of un-distributable reserves. This £11,899 of un-distributable reserves relates to the increase in fair value of the investment properties, less any deferred tax, which under FRS102 are recognised through the profit and loss accounts. The comparative in the 2020 accounts was £117,452.

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

David Holloway BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Ribchesters Group Limited

14. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose all related party transactions between the parent company and any wholly owned subsidiaries within the group.

The company is a wholly owned subsidiary of Durham County Council. Their registered office is:

County Hall
Durham
County Durham
DH1 5UQ

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.