

# **Cheltenham Borough Homes Services Limited**

Report and Financial Statements

For the year ended 31 March 2021



Company Registration No. 07118944

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **Directors**

P Stephenson (Resigned 12<sup>th</sup> August 2020)

S Slater (Appointed 12<sup>th</sup> August 2020)

A C Foster

### **Company Secretary**

S Cruse (Appointed 12<sup>th</sup> August 2020)

### **Registered Office**

Oakley Community Resource Centre,  
113a Clyde Crescent,  
Cheltenham,  
GL52 5QL

### **Registered Number**

07118944

### **Auditors**

Bishop Fleming

Stratus House

Emperor Way

Exeter Business Park

Exeter

Devon

EX1 3QS

### **Bankers**

Lloyds Bank PLC

130 High Street

Cheltenham

GL50 1EW

## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

### **Principal Activities**

The principal activity of the Company during the year was the supply of construction services.

### **Business Review and Future Developments**

The Company is a wholly owned subsidiary company of Cheltenham Borough Homes Limited.

The result for the year ended 31 March 2021 is a loss before taxation of £1,898.

### **Dividends**

No dividends have been paid or proposed in respect of the year.

### **Directors**

The following directors served during the year:

A C Foster  
P Stephenson  
S Slater

During the year, P Stephenson resigned as a director on 12<sup>th</sup> August 2020 and S Slater was appointed as a director on 12<sup>th</sup> August 2020. The Directors have no beneficial interests in the shares of the Company or the ultimate parent company.

### **Directors' Responsibilities Statement**

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 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 the profit or loss of the Company for that year.

## **DIRECTORS' REPORT**

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.

### **Disclosure of Information to Auditors**

At the date of making this report each of the Company's Directors, as set out on page 3, confirm the following:

- So far as each Director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware;
- Each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

## **DIRECTORS' REPORT**

### **Auditors**

Bishop Fleming LLP have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the Company receives notice under Section 488(1) of the Companies Act 2006.

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

By order of the Board

A handwritten signature in black ink, appearing to be 'S Cruse', with a long horizontal flourish extending to the right.

S Cruse  
**Company Secretary**  
Date: 28<sup>th</sup> July 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHELTENHAM BOROUGH HOMES SERVICES LIMITED**

### **OPINION**

We have audited the financial statements of Cheltenham Borough Homes Services Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, 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 2021 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **OTHER INFORMATION**

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. 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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHELTENHAM BOROUGH HOMES SERVICES LIMITED**

form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **OPINION 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 have 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 Directors' 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.

### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement, 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.

### **AUDITORS' 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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHELTENHAM BOROUGH HOMES SERVICES LIMITED**

an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance of the entity;
- We have considered the results of enquiries with management in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls at a group level and performed walkthroughs of transactions to confirm that the group systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, across the group audit we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty, including landlord health and safety laws and regulations covering fire risks, gas safety, water hygiene, electrical safety and asbestos.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing board meeting minutes including those for the parent company;
- Enquiring of management in relation to actual and potential claims or litigations or areas of non-compliance with laws and regulations;
- Performing detailed testing in relation to the recognition of revenue;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHELTENHAM BOROUGH HOMES SERVICES LIMITED

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

*Bishop Fleming LLP*

Nathan Coughlin FCA (Senior statutory auditor)  
for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay, Sutton Harbour

Plymouth

PL4 0BN

Date:

*19<sup>th</sup> November 2021.*

## STATEMENT OF INCOME AND RETAINED EARNINGS

	Note	2021 £	2020 £
<b>Turnover</b>		<b>(18,601)</b>	-
Cost of sales		18,508	-
<b>Gross profit/(loss)</b>		<b>(93)</b>	-
Administrative expenses		1,805	2,280
<b>Operating loss</b>		<b>(1,898)</b>	<b>(2,280)</b>
Interest receivable and similar income	4	-	7
<b>Loss on ordinary activities before taxation</b>	3	<b>(1,898)</b>	<b>(2,273)</b>
Tax on loss on ordinary activities		-	-
<b>Loss for the financial year</b>		<b>(1,898)</b>	<b>(2,273)</b>
Accumulated loss at 1 April		(17,930)	(15,657)
<b>Accumulated loss at 31 March</b>		<b>(19,828)</b>	<b>(17,930)</b>

The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	6	-	1,125
Cash at bank and in hand		1,129	1,159
		<u>1,129</u>	<u>2,284</u>
 Creditors: amounts falling due within one year	7	20,957	20,213
<b>Net current liabilities</b>		<u>(19,827)</u>	<u>(17,929)</u>
<b>Total assets less current liabilities</b>		<u>(19,827)</u>	<u>(17,929)</u>
<b>Total net liabilities</b>		<u>(19,827)</u>	<u>(17,929)</u>
 <b>Capital and reserves</b>			
Share capital		1	1
Profit and loss account		(19,828)	(17,930)
		<u>(19,827)</u>	<u>(17,929)</u>

The accompanying notes form part of these financial statements. The financial statements were approved by the Board on 28<sup>th</sup> July 2021.



**S Slater**  
Director

Company number: 07118944

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Legal status**

The company is registered under the Companies Act 2006.

### **2. Accounting policies**

#### **Basis of accounting**

The financial statements of the company are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared on the historical cost basis.

The company has also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes;
- financial instrument disclosures, including:
  - categories of financial instruments;
  - items of income, expenses, gains or losses relating to financial instruments; and
  - exposure to and management of financial risks.

#### **Going concern**

The directors have prepared the financial statements on a going concern basis due to the ongoing financial support provided by its parent undertaking, Cheltenham Borough Homes Limited, to meet its liabilities. Cheltenham Borough Homes Limited has confirmed it will continue to provide and maintain the necessary support to facilitate this and is in a financial position to be able to do so.

#### **Turnover and revenue recognition**

Turnover consists of development costs incurred being recharged to other group companies and is recognised on the basis of work performed at the year end. This also includes the release of a retention to a contractor from previous years.

#### **Value Added Tax**

The company charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the company and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

#### **Employee Benefits**

The Company does not have any employees, apart from its Directors. The parent company makes management charges for the Company's use of its staff time.

## NOTES TO THE FINANCIAL STATEMENTS

### Debtors

Short term debtors are measured at transaction price, less any impairment.

### Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs.

## 3. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after:

	2021 £	2020 £
Auditors' remuneration (excluding VAT)		
- for audit services	1,325	1,650
- tax compliance	300	270
	<u>1,625</u>	<u>1,920</u>

## 4. Interest receivable and other income

	2021 £	2020 £
Bank interest	-	7
	<u>-</u>	<u>7</u>

## 5. Employees

The Company does not have any employees, apart from its Directors. The parent company makes management charges for the Company's use of its staff time.

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Debtors

	2021 £	2020 £
Amount due from Parent Company	-	167
Other debtors	-	958
	<u>-</u>	<u>1,125</u>

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

	2021 £	2020 £
Trade creditors	-	18,508
Amount due To Parent Company	20,653	-
Other creditors	304	1,705
	<u>20,957</u>	<u>20,213</u>

### 8. Share capital

	2021 £	2020 £
Authorised		
100 ordinary shares of £1 each	100	100
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Allotted and fully paid		
1 ordinary share of £1 each	1	1

### 9. Related parties

The Company has taken advantage of the exemptions conferred by FRS102 in not disclosing related party disclosures between group companies which are wholly owned.