Company No: 01248351

Allenbuild Limited

Annual Report

Financial Statements

for the year ended 31 March 2021

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Allenbuild Limited

Company information
For the year ending 31 March 2021

Board of Directors'	
	D Cowans A Winstanley S Black - Appointed 1st May 2020 A Dudley - Resigned 1st June 2020 A Daniel - Appointed 1st June 2020, Resigned 16th July 2020 A Hussain - Appointed 1st June 2020, Resigned 16th July 2020 T James - Appointed 1st June 2020, Resigned 16th July 2020 N Hopkins - Appointed 1st June 2020, Resigned 16th July 2020 C Phillips - Resigned on 31st January 21
Secretary	C Martin
Registered Office	80 Cheapside London EC2V 6EE
Registered Number	1248351
Banker	Barclays Bank Plc 38 Fishergate Preston Lancs PR1 2DD
Auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

Principal activities

The principal activity of the company is new build housing. The company operates from offices in Preston and Edinburgh

Business Model

The company engages in specialist building activities which is characterised by the use of a supply chain of subcontractors to carry out building works under the control of the company as principal contractor. The company is the internal contractor of choice for the wider Places For People Group which is its largest customer.

Business review and results

Turnover for the year has decreased by 45% to £46.2m (2020: £84.8m) this is in line with the continuing move to focus on specific contracts. Note - the AllenHire brand will continue to trade on an ongoing basis.

Loss for the financial year after taxation was £2.9m (2020: £16m).

Net liabilities of the company at the end of the financial year were £16.4m (2020: net liabilities £13.5m)

Key performance indicators

The company is continuing to refocuse its activities in line with the Places for People Group strategy. The business will focus on supporting the Group companies in their delivery of housing stock and will no longer actively pursue external projects. In line with this the company has realigned its KPIs with the Places for People Group.
The safety record improvement target is set annually and achievement of this target is an essential component of the bonus scheme for each director and senior manager within the company.

Accident Incidence Rate (A.I.R.) 1000 (2020: 213)
(Defined as the number of accidents reported that require notification to the enforcing authorities (HSE) for every 100,000 persons at work. The statistics include directly employed staff, sub-contractors' personnel and visitors.)

There were 4 reportable incidents throughout the year which increased the Accident Incidence Rate above the target level. All incidents were fully investigated and necessary improvement programmes implemented. Follow-up reviews have been undertaken.

Given the ongoing simplification of the company's operations the directors do not consider it necessary to provide a detailed business analysis using key performance indicators. The company will continue to operate as is for the foreseeable future.

Principal risks and uncertainties

A risk inherent in the construction industry occurs in the nature, timing and contractual conditions which exist at the time of contract procurement. To mitigate these risks, the company has a system of pre-contract and pre-tender risk assessment whereby senior management, including the directors' where appropriate, review and advise on specific issues arising in the contract procurement process. The risk of unforeseen losses on construction contracts is further mitigated through detailed monthly reviews of build cost reconciliations and build programme dates. The company also seeks to limit its risks by specialising in certain markets where it has extensive experience and a particular skills base.

The company is susceptible to both economic and competitive risk within its market place. Economic risk, increasing costs, shortages of suitable labour and sub-contractors is managed by selecting key materials suppliers and establishing pricing agreements giving materials price certainty over given timeframes. The company has established long term relationships with key sub-contractors and labour agencies in order to mitigate risks arising to project delivery and cost. Risk from competitors will continue to diminish as it becomes the internal contractor of choice for the wider Group, across a variety of residential tenures, giving security to the long term pipeline of construction projects.

Health and Safety in the construction industry is a further inherent risk and one which the company places significant importance to. Each project has a full Risk Assessment undertaken and an active management plan of any risk identified. All site staff are given Toolbox talks and regular Health and Safety assessments are carried out on each site and reported on to the directors.

Credit risk

The company's principal financial assets are bank balances, cash, amounts recoverable on contracts and trade debtors, which represent maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its amounts recoverable on contracts and trade debtors, which is reducing as the company becomes the contractor of choice for the Group. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating.

The coronavirus (Covid-19) outbreak, officially declared a global pandemic by the World Health Organisation on 11 March 2020, has prompted much of the world to impose lockdown measures, which have severely restricted economic activity. We have identified three key risk areas, liquidity, health & safety and business continuity.

The Places for People Group set up a Covid-19 committee that met several times a week initially, to review the ongoing situation and its impacts on the business, our customers and our colleagues. A procurement review was undertaken to allow us to access alternative suppliers and contractors to ensure continuity in our service provision, including the procurement of PPE. Colleagues have access to information and support using our Employee Assistance Programme, covering not just Covid-19 concerns but also providing mental health and wellbeing support throughout this period of uncertainty.

As part of our liquidity risk mitigation we undertake challenging stress testing to provide confidence in our ability to withstand significant reductions in income. This testing ensured we were in a strong position going into the Covid-19 pandemic and, while we continue to monitor the situation as it evolves, we are able to meet obligations as they fall due even in severe scenarios. The risks identified and mitigating actions in place in respect of the current Covid-19 outbreak are considered to apply in the event of subsequent waves of Covid-19 or to any similar pandemics threatening health and economic activity in the future.

Statement by the Directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006

As the business continues to become the internal contractor of choice for the Places for People Group the Board have focused on the changing stakeholder profile and maintaining strong relationships with key stakeholders.

There are no external shareholders - the ultimate parent company is limited by guarantee - and so the Board considers a range of other stakeholders when assessing what direction to take in the immediate term and for the long term. As the entity is moving to become an internal contractor the key stakeholders are our colleagues, our suppliers, the communities in which we operate, regulators and local government. We seek to engage with all stakeholders and to understand what matters to each of them. The Board sets the direction of the company with the benefit of insight gained through these relationships.

Reference to stakeholder engagement can be found in the following sections of the Stategic and Directors' Reports: Business review and principal activities, Employees and Principal risks and uncertainties. The Board promotes the Group's SPIRIT values which set the tone for the culture of the Group. This informs us how we do what we do. The Board supports the emphasis given by the company to social impact through the places we serve. This is captured in work of individuals, contributions to communities and decisions taken for the longer term benefit of the environment. The Board identifies and stress tests strategic risks. More details on strategic risks can be found in the Strategic Report section Principal risks and uncertainties.

Approval

The strategic report was approved by the Board on and signed on its behalf by:

A Winstanley
Director
Company registered number is 01248351.

The directors' present their report and the audited financial statements for the year ending 31 March 2021.

Environment

The company's policy with regard to the environment is to ensure that the actual and potential environmental impact of its activities is understood and effectively managed. Operations are conducted so as to comply with all legal requirements relating to the environment in all areas where business is carried out. During the period covered by this report the company has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Directors'

The Directors' and officer's serving during the year and subsequently were:

D Cowans	Director	
A Winstanley	Director	
S Black	Director	Appointed 1st May 2020
A Dudley	Director	Resigned 1st June 2020
A Daniel	Director	Appointed 1st June 2020, Resigned 16th July 2020
A Hussain	Director	Appointed 1st June 2020, Resigned 16th July 2020
T James	Director	Appointed 1st June 2020, Resigned 16th July 2020
N Hopkins	Director	Appointed 1st June 2020, Resigned 16th July 2020
C Phillips	Director	Resigned on 31st January 21

The directors' believe that the company is well positioned to continue its move to focusing on internal contracts for the Places for People group.

Employee involvement and policy

The directors' recognise the need for communication with employees at every level. All employees have access to a copy of the group annual report and financial statements, which together with regular staff briefings, internal electronic news segments and a comprehensive intranet, keep them informed of progress within the company and the group.

The company continues to be committed to the health, safety and welfare of its employees and observes the terms of the Health & Safety at Work Act 1974 and subsequent legislation and regulations.

It is the policy of the company that there shall be no discrimination or less favourable treatment of employees or job applicants in respect of race, colour, ethnic or national origins, religion, sex, disability, political beliefs or marital status. The company engages, promotes and trains staff on the basis of their capabilities, qualifications and experience, without discrimination, giving all employees an equal opportunity to progress within the company. Full consideration will be given to suitable applications for employment from disabled persons where they have the necessary skills and abilities for that position, and wherever possible to re-train employees who become disabled, so that they can continue their employment in another position.

Safety, Health and Environmental Policies

The company continues to strive to improve its safety, health and environmental (SHE) standards and performance. The SHE objectives as set by the group were monitored regularly throughout the period and are reviewed in response to performance and changes in legislation.

All levels of management are required to undertake SHE monitoring activities, from SHE tours by directors' to SHE surveys by senior managers and SHE inspections by site and workplace management.

It is the company's policy to report all accidents regardless of severity. Accident and incident reports are assessed to identify their main cause and analysed to identify trends and areas for improvement in the same way as for findings of inspection, tours and surveys.

The company recognises that effective training is important to the improvement of SHE performance. There is a regular programme of internal health and safety courses for all personnel. In addition managers continue to successfully complete the Site Safety Management Training Scheme, a five-day training course accredited and certificated by the Construction Industry Training Board.

Quality assurance

The company is committed to the achievement of quality. It operates a quality management system which complies with the requirements of BS EN ISO 9001:1994 and is audited on a continual basis by BSI Quality

Political Contributions

The company has made no disclosable political donations or incurred any political expenditure during the year.

Dividends

No dividends have been paid (2020: £nil).

Disclosure of information to auditor

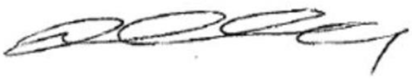
The directors' who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approval

The report of the directors' was approved by the Board on and signed on its behalf by:



A Winstanley
Director
Company registered number is 01248351.

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 ;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

A Winstanley
Director
Company registered number is 01248351.

Opinion

We have audited the financial statements of Allenbuild Limited (“the company”) for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

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 UK accounting standards, including 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.

Strategic report and directors’ report

The directors are responsible for the strategic report and the directors’ report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and 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 strategic report and the directors’ report;

· in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

· in our opinion those reports have 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

· 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.

We have nothing to report in these respects.

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 the management as to the Company’s high-level policies and procedures to prevent and detect fraud, including the Company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- 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, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue and contract work-in-progress at the year-end may be overstated and the risk that management may be in a position to make inappropriate accounting entries.

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. These included those posted to unusual account combinations.

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 and other management (as required by auditing standards), and from inspection of the Company’s regulatory and legal correspondence and discussed with the sssssssmanagement 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.

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, Health and safety regulations applicable on construction sites, and Quality ISO requirements, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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' responsibilities

As explained more fully in their statement set out on page 8, 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.

Caroline Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Gateway House
Tollgate
Chandlers Ford
Hampshire
SO53 3TG

Date:

Allenbuild Limited
Statement of Comprehensive Income
For the year ending 31 March 2021

	Notes	**2021** **£'000**	2020 £'000
Turnover		**46,178**	84,778
Other Income		**226**	-
Cost of sales		**(46,175)**	(98,587)
Gross (Loss)/Profit		**229**	(13,809)
Operating costs		**(4,557)**	(5,791)
Operating Loss		**(4,328)**	(19,600)
Interest payable	6	**(259)**	-
Interest receivable and similar income	5	**-**	3
Loss before taxation		**(4,587)**	(19,597)
Taxation on Loss	4	**1,679**	3,621
Loss for the Financial Year		**(2,908)**	(15,976)

All the company's activities are derived from continuing operations.

The Company has no recognised gains or losses other than presented above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 14 to 27 form an integral part of these financial statements.

Allenbuild Limited
Statement of Financial Position
As at 31 March 2021

	Notes	**2021 £'000**	2020 £'000
Fixed assets	7	**721**	1,033
Non Current Assets			
Debtors: Due after more than one year	8	**426**	1,175
Current assets			
Debtors: amounts falling due within one year	9	**16,409**	21,854
Cash at bank and in hand		**1,245**	3,065
		17,653	24,919
Creditors - amounts falling due within one year	10	**(32,719)**	(36,945)
Net current (liabilities)		**(15,065)**	(12,026)
Total assets less current liabilities		**(13,918)**	(9,816)
Creditors - amounts falling due after more than one year	11	**(2,517)**	(3,711)
Net (liabilities)		**(16,435)**	(13,527)
Capital and reserves			
Called up Share Capital	13	**17,352**	17,352
Profit and Loss account		**(33,787)**	(30,879)
Total capital and reserves		**(16,435)**	(13,527)

The financial statements on pages 11 to 27 were approved by the Board on 2021 and were signed on its behalf by:

A Winstanley
Director

Allenbuild Limited
Statement of Changes in Equity
For the year ending 31 March 2021

	Called Up Share Capital £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 April 2019	17,352	(14,903)	2,449
Loss for the year	-	(15,976)	(15,976)
Balance at 31 March 2020	17,352	(30,879)	(13,527)
Balance at 1 April 2020	**17,352**	**(30,879)**	**(13,527)**
Loss for the year	**-**	**(2,908)**	**(2,908)**
Balance at 31 March 2021	**17,352**	**(33,787)**	**(16,435)**

1. ACCOUNTING POLICIES

Basis of Preparation

Allenbuild Limited (the “Company”) is a private company, limited by shares, incorporated, domiciled and registered in the UK. The registration number is 01248351 and the registered address is 80 Cheapside, London, EC2V 6EE.

The Company's ultimate parent undertaking, Places for People Group Limited, includes the company in its consolidated financial statements.The consolidated financial statementsof Places for People Group Limitedare prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 80 Cheapside, London,EC2V 6EE.In these financial statements,the company is considered to be a qualifying entity (for the purposes of FRS 102 section 1.12) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Statement of cash flows and related notes

Key management personnel compensation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1. ACCOUNTING POLICIES

A summary of the more important accounting policies which have been applied consistently is set out below.

Principal accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in March 2018. The presentation and functional currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Going Concern

Notwithstanding a loss for the year of £2,908k, the financial statements have been prepared on a going concern basis which the directors consider appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate, that taking account of reasonable possible downsides, the company will have sufficient funds,through funding from its intermediate parent company,Places for People Ventures Operations, to meet its liabilities as they fall due for that period.

These forecasts are dependent on Places for People Ventures Operations Limited providing additional financial support during that period.Places for People Ventures Operations Limited has indicated its intention to continue to make available such funds as are needed by the company for the period coverd by the forecasts. As with any company placing reliance on other group entitites for financial support, the directors acknowledge that there can be no certainty that this support will continue although,at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of financial statements

The company is exempt from the obligation to prepare and deliver group accounts by virtue of section 400 of the Companies Act 2006. Accordingly, the financial statements only present information about the company and do not contain information about the group as a whole.

The company has taken advantage of the exemption not to report transactions with other Group members as permitted by FRS 102, Section 33.1A.

1. ACCOUNTING POLICIES (continued)

Measurement convention

The financial statements are prepared on the historical cost basis.

Turnover

Turnover is predominantly derived from Construction contract revenue, with less than 5% derived from construction services in the form of plant hire to external customers.

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied and services provided excluding VAT and trade discounts. In the case of long term contracts, turnover represents the sales value of work done during the period, including estimates in respect of amounts not invoiced. Turnover is generated entirely in the UK, and is based on certified valuations of work completed and estimated value of work and recoverable expenses completed but not yet certified. The company continues to operate within a single business segment, construction and civil engineering.

Profit on contracts is recognised on a percentage of completion basis when the contract's outcome can be reliably estimated. The percentage of completion basis is usually measured by the proportion of the value of the work performed to date to the estimated total contract value.

Variations and compensating events are included in forecasts to completion when it is considered highly probable that they will be recovered. Provision is made for losses incurred or foreseen in bringing the contract to completion when they become apparent. In these circumstances a prudent and reasonable estimate of claims receivable may be taken into account to mitigate foreseeable losses.

Consistent contract reviews are in place in respect of contract forecasting.

Long term contracts

Long term contracts are stated at cost plus attributable profit after providing for anticipated future losses and contingencies. Progress payments received are deducted from these amounts. Cost includes appropriate attributable overheads. Long term contract work in progress is included in debtors as amounts recoverable on contracts.

Cash retentions relating to customers and contractors are recognised, within debtors and creditors respectively, in line with the terms and stage of the relevant contract. Cost accruals for works completed but not yet invoiced by suppliers and costs estimated for defect remediation are recognised in line with profit recognition on the project and held until actual costs are incurred. Cost accruals are reviewed on a regular basis to ensure they remain sufficient.

Retentions receivable and payable are recognised in turnover and cost of sales respectively in line with the certified stage of completion.

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets. Provision is made at rates calculated to write off the cost of each asset, less estimated residual value, over its expected useful life as follows:

Fixtures & fittings:	5-50% straight-line
Motor vehicles:	25% straight-line

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit.

Pension commitments

The company does not operate its own pension scheme. Prior to 1 April 2008 its employees were eligible to join the Renew Holdings plc Pension Scheme which was a defined contribution scheme. From 1 April 2008, this scheme was closed to further contributions and members were eligible to set up stakeholder pension plans under a Renew Holdings scheme until 31 January 2016. On 1 February 2016 members were transferred to a stakeholder pension plan under an Allenbuild Group umbrella scheme which operates on a similar basis to the previous scheme with the cost of contributions being charged to the statement of comprehensive income as incurred.

Leased assets

The company classifies operating leases as those where all risks and rewards related to the asset ownership remain with the lessor for the duration of the lease term, where-after the asset is returned to the lessor. Finance leases are classified as those where the risk and rewards of ownership are transferred to the lessee, in line with FRS 102 section 20. Rentals under operating leases are charged to the statement of comprehensive income on a straight-line basis to the end of the lease agreement.

Financial Assets falling due within one year and long term debtors

The fair value of these assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Financial Liabilities

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Cash at bank and in hand

The fair value of cash is estimated as its carrying amount where the cash is repayable on demand. All amounts are repayable on demand.

1. ACCOUNTING POLICIES (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable of tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the statement of financial position date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the statement of financial position date. Deferred tax assets and liabilities are not discounted.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, that are recognised in the statement of comprehensive income.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1. ACCOUNTING POLICIES (continued)

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially recognised at fair value less attributable fees. These fees are then amortised through the income statement on an effective interest rate basis over the expected life of the loan (or over the contractual term where there is no clear indication that a shorter life is appropriate). If the Company subsequently determines that the expected life has changed, the resulting adjustment to the effective interest rate calculation is recognised as a gain or loss on re-measurement and presented separately in the statement of comprehensive income.

Accounting estimates, judgement and provisions

The preparation of financial statements requires management to exercise judgement in applying accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The accounting policies for revenue recognition, stock and taxation are disclosed above. Actual results may differ from these estimates.

The revenue recognition and profit recognition policies, which are set out in this note, are central to how the company values the work it has carried out in each financial year.
These policies require forecasts to be made of the outcomes of long-term construction services, which require both estimates and judgements to be made of both cost and income recognition on each contract. On the cost side, estimates of forecasts are made on the final out-turn of each contract in addition to potential costs to be incurred for any defects liabilities. On the income side, estimates and judgements are made on variations to consideration which typically include variations due to changes in scope of work, recoveries of claim income from customers, and potential liquidated damages that may be levied by the customer. Judgements and estimates are reviewed regularly throughout the contract life based on latest available information and adjustments are made where necessary.

2. OPERATING PROFIT

	Year Ending 31 March 2021	Year Ending 31 March 2020
	£'000	£'000
The operating profit is stated after charging:		
Fees payable to the company's auditor for the audit of the financial statements	**35**	51
Depreciation of owned assets	**393**	520
Hire of plant and machinery	**2,662**	3,895
Operating lease rentals - Land & Buildings	**213**	489
Operating lease rentals - Other	**125**	184
Other Income in relation to JRS	**(226)**	-

3. DIRECTORS' AND EMPLOYEES

	Year Ending 31 March 2021	Year Ending 31 March 2020
The average number of employees expressed as full time equivalents (including the directors') employed during the year was as follows:		
Construction	**29**	33
Administration	**72**	129
	101	162
Staff costs, including directors' remuneration were as follows:	**£'000**	£'000
Wages and salaries	**3,821**	9,696
Social security costs	**2,536**	1,047
Other pension costs	**669**	948
	7,026	11,691

3. DIRECTORS' AND EMPLOYEES (continued)

	Year Ending 31 March 2021	Year Ending 31 March 2020
	£'000	£'000
Directors' emoluments:		
Aggregate emoluments	**-**	170
Company contributions to stakeholder pension plans	**-**	12
	-	182

At 31 March 2021, the number of directors' who had contributions to their stakeholder pension plans paid by the Company was 0 (2020: 1).

Highest paid director:		
Aggregate emoluments	**-**	170
Stakeholder pension plan contributions	**-**	12
	-	182

The director information above refers to directors' who are remunerated by Allenbuild Limited and not by other entities within the Places for People Group.

4. TAXATION

	Year Ending 31 March 2021 £'000	Year Ending 31 March 2020 £'000
Total tax expense recognised in the Statement of Comprehensive Income		
UK Corporation Tax:	**-**	
Group Relief	**(928)**	(3,621)
Total current tax	**(928)**	(3,621)
Deferred taxation:		
Origination and reversal of timing differences	**-**	-
Adjustments in respect of prior periods	**(751)**	-
Total deferred tax	**(751)**	-
Total tax	**(1,679)**	(3,621)
Reconciliation of effective tax rate	**£000**	£000
The tax assessed is lower than the standard rate of corporation tax in the UK of 19%		
Loss for the year	**(4,587)**	(19,597)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	**(872)**	(3,723)
- Non-deductible expenses	**1**	4
- Movement in unrecognised deferred tax	**(57)**	98
- Rate Difference	**-**	-
- Adjustments to tax charge in respect of prior periods	**(751)**	-
Total tax expense included in Statement of Comprehensive Income	**(1,679)**	(3,621)

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Interest receivable on cash deposits	**-**	3

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£'000	£'000
On financial liabilities not at fair value through income and expense:		
Interest payable on bank loans and overdrafts	**259**	-

7. FIXED ASSETS

	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
Cost			
At 1 April 2020	3,487	65	**3,552**
Additions	29	52	**81**
At 31 March 2021	**3,516**	**117**	**3,633**
Depreciation and impairment			
At 1 April 2020	2,454	65	**2,519**
Charge for year	388	5	**393**
At 31 March 2021	**2,842**	**70**	**2,912**
Net book value at 31 March 2021	**674**	**47**	**721**
Net book value at 1 April 2020	1,033	0	1,033

8. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £'000	2020 £'000
Amounts recoverable on contracts	**426**	1,175

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade debtors	**2,151**	1,959
Amounts owed by group undertakings	**5,440**	12,007
Amounts recoverable on contracts*	**8,384**	7,255
Value added tax recoverable	**370**	382
Other debtors	**3**	31
Prepayments	**61**	220
	16,409	21,854

*Includes amounts receivable from group undertakings of £5.2m (£4.1M in 2020)

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Trade creditors	**3,034**	4,803
Amounts owed to group undertakings*	**10,884**	8,560
Other taxes and social security	**3,809**	1,705
Other creditors	**348**	734
Accruals and deferred income	**14,643**	21,143
	32,719	36,945

*Includes loan payable on demand from PFP Homes Limited of £7.5m (£5M in 2020) and interest on this loan of £259K

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£'000	£'000
Trade Creditors	**2,517**	3,711

12. DEFERRED TAX

Losses have been recognised to the extent that they are expected to be utilised in the foreseeable future. Trading losses of £9,159k (2020: £9,159) have not been recognised, resulting in a unrecognised deferred tax asset of 1,740k (2020: £1,740); this was calculated using a 19% rate.

Factors Affecting current and future tax change
The Main rate of corporation tax since 1st April 2017 has been 19%

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24May 2021. This will increase the company's future current tax charge accordingly and increase the unrecognised deferred tax asset by £550k.

13. SHARE CAPITAL

	2021	2020
	£'000	£'000
Equity Shares		
Allotted, called up and fully paid Ordinary Shares	**17,352**	17,352

Share Capital consists of:

8,675,920 Ordinary £1 A shares
8,675,920 Ordinary £1 B shares

14. OTHER FINANCIAL COMMITMENTS

The company had no capital commitments in relation to equipment and plant. (2020: £nil).

The company had annual commitments under non-cancellable operating leases as follows:

	2021		2020	
	Land and Buildings	**Plant, Equipment and Vehicles**	Land and Buildings	Plant, Equipment and Vehicles
	£'000	**£'000**	£'000	£'000
Operating leases expiring:				
Within one year	**140**	**50**	435	33
Between two and five years	**190**	**30**	80	131
Over five years	**118**	**-**	390	-
	448	**80**	905	164

During the year £338,131 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2020: £673,000).

The nature of the operating leases committed to by the company are; defined term building leases under a mix of full tenant repairing terms and serviced facility terms; and defined term vehicle leases.

15. PENSION COMMITMENTS

The company does not operate its own pension schemes. Its employees are eligible to join stakeholder pension plans under an Allenbuild Group umbrella scheme with the cost of contributions being charged to the Statement of Comprehensive Income as incurred.

During the year the company has made payments of £669,202 (2020: £948,002) into stakeholder pension plans.

There were sundry debtor of £64,326 owed to Allenbuild at the year-end (2020: £4,000 Liability).

16. CONTINGENT LIABILITIES

The company has issued performance bonds amounting to £6,142,247 (2020: £9,896,000) in the normal course of trading.

The company has no bonds or guarantees issued on behalf of or for the benefit of parent or subsidiary undertakings of the company.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the statement of financial position date, the company's immediate and controlling parent undertaking was Places Developments (Holdings) Limited, whose registered office is 80 Cheapside, London, EC2V 6EE which is incorporated in England and Wales. The smallest and largest group for which consolidated financial statements are prepared is Places for People Group Limited.

The registered address for the company and Places for People Group Limited is 80 Cheapside, London, EC2V 6EE. Copies of the financial statements can be obtained from the Company Secretary at that address.