

**REGISTERED NUMBER: 03230309 (England and Wales)**

Strategic Report and  
Financial Statements for the Period 1 January 2020 to 30 June 2021  
for  
Building & Property (Holdings) Limited

WEDNESDAY



\*AC381H48\*

A12

10/05/2023

#150

COMPANIES HOUSE

**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Contents of the Financial Statements**  
**for the Period 1 January 2020 to 30 June 2021**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Independent Auditors' Report	5
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	13
Reconciliation of Equity and Loss	31

**Building & Property (Holdings) Limited**

**Company Information**

**for the Period 1 January 2020 to 30 June 2021**

**DIRECTORS:**

C J Edwards  
C W Pillar

**REGISTERED OFFICE:**

Capital Tower  
91 Waterloo Road  
London  
SE1 8RT

**REGISTERED NUMBER:**

03230309 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Victoria House  
199 Avebury Boulevard  
Milton Keynes  
MK9 1AU

Building & Property (Holdings) Limited (Registered number: 03230309)

Strategic Report  
for the Period 1 January 2020 to 30 June 2021

The directors present their strategic report for the period 1 January 2020 to 30 June 2021.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The company is a wholly owned subsidiary of Interserve Group Holdings Limited and its principal activities in the period under review were property holding and the management of property maintenance services. The leasehold property at Ingenuity House was occupied by Interserve staff until 30 November 2020 but from that date under the terms of the disposal of the Interserve Facilities Management business to Mitie Group Plc, a licence was granted to them to occupy the office until 30 November 2021.

On 8 June 2022 the company early surrendered its 30 year leasehold interest in Ingenuity House which commenced on 27 November 2017 to the landlord of the property Standard Life Assurance Limited at a cost of £250,000 plus VAT.

**PRINCIPAL RISKS AND UNCERTAINTIES**

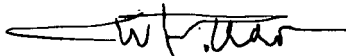
The Company has exposure to a variety of risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance and net assets. The directors have policies for managing each of these risks and they are summarised below.

The directors are satisfied that, given the nature of this Company, there are no other principal risks and uncertainties to consider. Group risks are discussed in the Annual Report and Financial Statements of Interserve Group Limited for the period ended 30 June 2021, which does not form part of this Strategic Report.

**GOING CONCERN**

The directors have assessed the going concern status of the company and have concluded that given that the Company has net liabilities, no longer has access to any financial support from the Interserve Group to enable it to meet any future funding shortfalls and the Directors intend to liquidate the Company by the end of 2023 it is not appropriate to prepare these financial statements for the period ended 30 June 2021 on a going concern basis. Accordingly, the directors have prepared the financial statements on a basis other than the going concern basis of preparation. This basis includes, where applicable, writing the company's assets down to net realisable value. No provision has been made for the future costs of terminating the business as no such costs were committed at the reporting date.

**ON BEHALF OF THE BOARD:**



C W Pillar - Director

5 May 2023

**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Report of the Directors**  
**for the Period 1 January 2020 to 30 June 2021**

The directors present their report with the financial statements of the Company for the period 1 January 2020 to 30 June 2021.

The principal risks and uncertainties of the company are not included within the Report of the Directors as they are shown in the Strategic Report on page 2.

**DIVIDENDS**

A dividend of £nil (2019: £nil) was paid during the year. No further dividend is proposed.

**EVENTS SINCE THE END OF THE PERIOD**

For details of post balance sheet events see note 22.

**DIRECTORS**

The directors who have held office during the period from 1 January 2020 to the date of this report are as follows:

P Clark - resigned 25 November 2020  
J W Lambert – resigned 1 July 2021  
A J McDonald – resigned 4 February 2021  
L Mawdsley - resigned 25 November 2020  
C J Edwards - appointed 3 February 2021  
C W Pillar - appointed 5 October 2021  
J M White - appointed 1 July 2021, resigned 6 October 2021

**FUTURE DEVELOPMENTS**

The directors intend to dissolve the company by the end of 2023.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report and the Report of the Directors 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (as explained in the strategic report the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

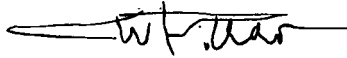
Building & Property (Holdings) Limited (Registered number: 03230309)

Report of the Directors  
for the Period 1 January 2020 to 30 June 2021

**AUDITORS**

The auditors, Grant Thornton UK LLP, have been re-appointed as the Company's auditors and will continue in office.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'C W Pillar', followed by a horizontal line.

C W Pillar - Director

5 May 2023

Independent Auditors' Report to the Members of  
Building & Property (Holdings) Limited

**Opinion**

We have audited the financial statements of Interserve Building & Property (Holdings) Limited (the 'Company') for the period from 1 January 2020 to 30 June 2021 which comprise the Statement of Profit or loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter – Financial Statements prepared on a basis other than going concern**

We draw your attention to Note 2 to the financial statements, which sets out that, given the company has net liabilities, no longer has access to any financial support from the Interserve Group to enable it to meet its liabilities as they fall due and the directors intend to dissolve the company by the end of 2023, it is not appropriate to prepare these financial statements for the period ended 30 June 2021 on a going concern basis. Accordingly, the directors have prepared the financial statements on a basis other than the going concern basis of preparation. This basis includes where applicable, writing the company's assets down to net realisable value. No provision has been made for the future costs of terminating the business as no such costs were committed at the reporting date. Our opinion is not modified in respect of this matter.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Members of  
Building & Property (Holdings) Limited

- Based on this understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved contacting the entity's legal representatives to obtain confirmation of any non-compliance with laws and regulations.
- Our audit procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of management. In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with the applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagement of a similar nature and complexity through appropriate training and participation
  - Knowledge of the industry in which the client operates
  - Understanding of the legal and regulatory requirements specific to the Company including:
    - The provisions of the applicable legislation
    - The regulator's rules and related guidance, including guidance issued by relevant authorities that interprets those rules
    - The applicable statutory provisions
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The company's operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The applicable statutory provisions

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 auditor's report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Charlotte Anderson BSc FCA  
(Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes  
MK9 1AU

5 May 2023



**Building & Property (Holdings) Limited (Registered number: 03230309)****Statement of Profit or Loss and Other Comprehensive Income**  
**for the Period 1 January 2020 to 30 June 2021**

	Notes	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000 (restated *)
Revenue		13,432	9,911
Cost of sales		<u>(7,103)</u>	<u>(5,933)</u>
<b>GROSS PROFIT</b>		6,329	3,978
Administrative expenses		<u>(1,984)</u>	<u>(1,314)</u>
<b>OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS</b>		4,345	2,664
Exceptional items	4	<u>(35,155)</u>	<u>(70,000)</u>
<b>OPERATING LOSS</b>		(30,810)	(67,336)
Finance costs	5	<u>(5,062)</u>	<u>(6,290)</u>
<b>LOSS BEFORE INCOME TAX</b>	6	(35,872)	(73,626)
Income tax	7	<u>262</u>	<u>309</u>
<b>LOSS FOR THE PERIOD</b>		(35,610)	(73,317)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<u>(35,610)</u>	<u>(73,317)</u>

\* See note 2 for details

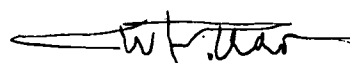
**Building & Property (Holdings) Limited (Registered number: 03230309)****Statement of Financial Position****30 June 2021**

	Notes	2021 £'000	2019 £'000 (as restated)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Owned			
Intangible assets	8	-	183
Property, plant and equipment	9	2,180	11,080
Right-of use asset	9, 15	166	36,154
Investments	10	-	-
Deferred tax	11	1,351	715
		<u>3,697</u>	<u>48,132</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	12	244	94,301
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	64,936	74,172
Financial liabilities - borrowings			
Bank overdrafts	14	532	3,876
Lease liabilities	14	32,904	3,601
Tax payable		-	77
		<u>98,372</u>	<u>81,726</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(98,128)</u>	<u>12,575</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	-	86,704
Lease liabilities	14	-	29,881
Provisions	16	-	2,943
		<u>(94,431)</u>	<u>(58,821)</u>
<b>NET LIABILITIES</b>		<u>(94,431)</u>	<u>(58,821)</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	17	1	1
Share premium	18	18,808	18,808
Capital redemption reserve	18	191	191
Retained earnings	18	(113,431)	(77,821)
<b>TOTAL EQUITY</b>		<u>(94,431)</u>	<u>(58,821)</u>

\* See note 2 for details

The financial statements were approved by the Board of Directors and authorised for issue on 5 May 2023 and were signed on its behalf by:

C W Pillar - Director



**Building & Property (Holdings) Limited (Registered number: 03230309)****Statement of Changes in Equity**  
**for the Period 1 January 2020 to 30 June 2021**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
<b>Balance at 1 January 2019</b>	1	(4,504)	18,808	191	14,496
<b>Changes in equity</b>					
Total comprehensive loss	-	(73,317)	-	-	(73,317)
<b>Balance at 31 December 2019</b>	1	(77,821)	18,808	191	(58,821)
<b>Changes in equity</b>					
Total comprehensive loss	-	(35,610)	-	-	(35,610)
<b>Balance at 30 June 2021</b>	1	(113,431)	18,808	191	(94,431)

**Building & Property (Holdings) Limited (Registered number: 03230309)****Statement of Cash Flows****for the Period 1 January 2020 to 30 June 2021**

	Notes	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		7,840	2,780
Interest paid		(3,482)	(3,350)
Tax (paid)/recovered		(451)	227
		<u>3,907</u>	<u>(343)</u>
<b>Net cash from / (used in) operating activities</b>			
		<u>3,907</u>	<u>(343)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(4)	-
		<u>(4)</u>	<u>-</u>
<b>Net cash outflow used in investing activities</b>			
		<u>(4)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Capital lease repayments		(559)	(1,042)
		<u>(559)</u>	<u>(1,042)</u>
<b>Net cash used in financing activities</b>			
		<u>(559)</u>	<u>(1,042)</u>
<b>Increase (decrease) in cash and cash equivalents</b>		3,344	(1,385)
<b>Cash and cash equivalents at beginning of period</b>	14	(3,876)	(2,491)
		<u>(3,876)</u>	<u>(2,491)</u>
<b>Cash and cash equivalents at end of period</b>	14	<u>(532)</u>	<u>(3,876)</u>

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Statement of Cash Flows**  
**for the Period 1 January 2020 to 30 June 2021****RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Loss before income tax	(35,872)	(73,626)
Depreciation and amortisation charges	3,786	2,513
Non-cash impairments	41,270	70,000
Provisions	(5,022)	-
Finance costs	<u>5,062</u>	<u>6,290</u>
	9,224	5,177
Decrease in trade and other receivables	94,057	287
(Decrease) in trade and other payables	<u>(95,441)</u>	<u>(2,684)</u>
<b>Cash generated from operations</b>	<u><b>7,840</b></u>	<u><b>2,780</b></u>

**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Notes to the Financial Statements**  
**for the Period 1 January 2020 to 30 June 2021**

**1. STATUTORY INFORMATION**

Building & Property (Holdings) Limited is a private company, limited by shares, registered in England and Wales and bound by the Companies Act 2006. The Company's registered number and registered office address can be found on the Company Information page. The Group accounts can be obtained from Capital Tower, 91 Waterloo Road, London, England, SE1 8RT.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

**First time adoption of IFRS**

The Company has adopted IFRS as of the 1st of January 2020. Previously the financial statements were prepared under FRS 101- Reduced Disclosure Framework and as there are no major differences in terms of recognition and measurements principles, there were no adjustments to prior year numbers as a result of the adoption.

As a result of previously reporting in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' the prior year financial statements did not include a cash flow statement but this information is now presented as comparative figures in the current period cash flow statement.

The Company has extended its year end reporting date from 31 December 2020 to 30 June 2021 in order to provide additional time to reflect the impact of decisions made about the future of the business. As a result, the comparative figures for the twelve months ended 31 December 2019 shown in these accounts are not comparable with the current eighteen-month reporting period

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds unless otherwise stated.

**Prior year adjustment**

During the carrying out of the Company's current period audit, it came to light that the carrying value of the 31 December 2019 short leasehold right of use asset had been understated by £612,000 as a result of an inflation-based increase in the rent payable at Ingenuity House not being included in the cost. As a result, the short leasehold right of use asset and the corresponding lease liability has been re-classified in the year ended 31 December 2019 comparative balance sheet figures. In addition there has been a reclassification in the year ended 31 December 2019 profit and loss account of £3,077k between cost of sales and administrative expenses to provide a consistent presentation of IFRS 16 lease related items with the period ended 30 June 2021 treatment.

**Basis of consolidation**

The financial statements contain information about Building & Property (Holdings) Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Interserve Group Limited.

**Going concern**

The directors have assessed the going concern status of the company and have concluded that given that the Company has net liabilities, no longer has access to available cash and debt facilities provided by the Interserve Group to enable it to meet any future funding shortfalls and the Directors intend to liquidate the Company by the end of 2023, it is not appropriate to prepare these financial statements for the period ended 30 June 2021 on a going concern basis. Accordingly, the directors have prepared the financial statements on a basis other than the going concern basis of preparation. This basis includes, where applicable, writing the company's assets down to net realisable value. No provision has been made for the future costs of terminating the business as no such costs were committed at the reporting date.

**Computer software amortisation**

Amortisation is provided on all intangible assets other than goodwill, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected finite useful life, as follows;

**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Notes to the Financial Statements**  
**for the Period 1 January 2020 to 30 June 2021**

**2. ACCOUNTING POLICIES (continued)**

**Asset category % per annum** Computer software 20% - 33.3%

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows;

**Asset Category % per annum**

Long leasehold lease period Fixtures and fittings 10%-50%; Computer equipment 10%-50%; Plant & Machinery 10% - 50%

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

**Impairment of tangible and intangible assets**

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangibles assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating) unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the statement of total comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.



**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021**

**2. ACCOUNTING POLICIES - continued**

**Leases**

For any new contracts entered into on or after 1 January 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the right-of-use asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company;
- the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the company has the right to direct the use of the identified asset throughout the period of use; and
- the company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use;

The company calculates the outstanding liability for existing operating leases using its incremental borrowing rate at date of transition.

**Measurement and recognition of leases as a lessee**

At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The lease liability is measured at an amount equal to the present value of future lease payments over the lease term, and subsequently adjusted for interest and lease payments. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, an estimate of any costs to dismantle and remove the asset at the end of the lease, payments made at or before lease commencement date, less any incentives received. The right-of-use asset is measured at cost less accumulated depreciation.

The company is required to reassess the lease liability for changes in cash flows that are the result of contractual clauses that have been a part of the contract since inception. The liability will, therefore, be reassessed for changes in lease term due to extension or termination options being exercised, variable lease payments that are dependent on an index or a rate, the exercise of a purchase option and changes in amounts expected to be paid under a residual value guarantee. The company also assesses the right-of-use asset for impairment when such indicators exist.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The company has applied the recognition exemption available for short-term leases (lease term of 12 months or less) and leases of low-value assets; £5,000 or less. Where this exemption has been applied, lease payments are recognised as a straight-line operating expense over the lease term.

The company has taken certain practical expedients available under the IFRS 16 Standard:

**Initial direct costs:**

Costs incurred in negotiating or securing a lease arrangement form part of the initial measurement of the right of use asset. The company has taken a practical expedient to exclude such costs from the right of use assets recognised under IFRS 1.

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****2. ACCOUNTING POLICIES - continued****Onerous lease provisions:**

The company has applied IAS 37 Provisions, Contingent Liabilities and Contingent Assets to assess whether leases are onerous as an alternative to performing an impairment review. The right-of-use asset is adjusted at date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application. Thereafter the right-of-use asset is tested for impairment if events indicate that the carrying value may not be recoverable.

**Revenue**

Revenue is earned from the provision of property services and revenue for such services are accounted for over time in the accounting period when services are rendered.

**Exceptional items**

Exceptional items are those that the company consider to be non-recurring and significant in size or in nature.

**Finance costs**

Borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred. Differences between borrowing costs payable in the year and costs actually paid are shown in accruals in the balance sheet.

**Financial instruments****Impairment of financial assets**

IFRS 9 impairment requires the use of more forward-looking information to evaluate expected credit losses. The new standards expected credit loss model (ECL) replaces IAS 39's incurred loss model. Instruments within the scope of IFRS 9 included loans measured at amortised cost, trade receivables and contract assets recognised and measured under IFRS 15.

Recognition of credit losses is no longer reliant on the Company first identifying a credit loss event but instead the Company considers a wider range of information when assessing credit risk and measuring expected credit losses. This information includes past events, current conditions and reasonable forecasts in respect of the collectability of future cash flows of the instruments.

**Debtors**

Debtors are initially measured at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income where there is objective evidence that the asset is impaired.

**Bank and other borrowings**

Interest-bearing bank loans, intercompany loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the interest rate applicable to the facility and are included in accrued expenses in the balance sheet. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

**Creditors**

Creditors are initially measured at fair value and subsequently measured at amortised cost.

**Equity instruments**

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**Fixed asset investments**

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of impairment and are based on an assessment of the value of the net assets in the balance sheet of the subsidiaries.

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****2. ACCOUNTING POLICIES - continued****Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using an appropriate rate that takes into account the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent liabilities**

Contingent liabilities are disclosed in the notes to the financial statements in respect of guarantees given to the Interserve Group's subsidiaries and associated undertakings. Due to the nature of the guarantees it would be difficult to reliably measure the Company's potential obligation and as the Company considers it unlikely that there will be requirement to make a financial settlement as a result of these guarantees no liability has been recognised in the financial statements.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements, apart from those involving estimates (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Impairment of right of use assets**

Determining whether the Company's right of use assets have been impaired requires judgement. In making these judgements the directors assess the carrying values by reference to the likely continuing period of use of right of use assets. During the current period an impairment of £33,985,000 was recognised (2019 £nil).

**Impairment of intangible and tangible assets**

Determining whether the Company's intangible and tangible assets have been impaired requires judgment surrounding the recoverability of the carrying value of these assets and their remaining useful lives. During the current period £7,187k impairments of tangible fixed assets and £98k of intangible assets were recognised (2019 £nil) based on these assets being considered as one cash generating unit.

**Impairment of investments in subsidiaries**

Determining whether the Company's investments in subsidiaries have been impaired requires judgement. In making these judgements, net assets of subsidiaries at the balance sheet date are taken into consideration. The carrying amount of the investments in subsidiaries at the balance sheet date was £nil (2019: £nil) with nil impairment losses recognised in the period to 30 June 2021 (2019: £70,000,000).

**Impairment of amounts owed by group undertakings**

Assessing whether the Company's trade receivables are recoverable requires judgement and in making such judgements the ability of the group undertaking to meet its liabilities is evaluated by reference to its balance sheet solvency. As at 30 June 2021 no sums due from group undertakings were impaired (2019 £nil).

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****3. EMPLOYEES AND DIRECTORS****Directors**

There are no employees other than the directors (2019: Nil).

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Directors' remuneration	-	-

During the period Messrs C Edwards and J Lambert were remunerated for their services to the group by Interserve Group Limited. Their remuneration is disclosed in the accounts of that company. It is not considered practicable to allocate their remuneration between the companies of which they are a director.

**4. EXCEPTIONAL ITEMS**

Exceptional items in the current period include the £33,985,000 impairment of right of use assets arising as result of the company no longer having use for the Ingenuity House property post the sale of the Interserve Support Services business to Mitie Group Plc (see note 22), impairments of tangible fixed assets of £7,187,000 and the impairment of intangible assets (£98,000) partly offset by the release of £6,115,000 of excess property cost related provisions held in respect of Ingenuity House.

The exceptional cost of £70,000,000 in the prior year relates to the impairment of the company's investment in its subsidiary Interserve FM Ltd.

**5. NET FINANCE COSTS**

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Finance costs:		
Interest payable	865	3,482
Leasing	<u>4,197</u>	<u>2,808</u>
	<u>5,062</u>	<u>6,290</u>

**6. LOSS BEFORE INCOME TAX**

Audit fees of £26,000 have been borne by Interserve Group Limited for 2021 (2019: £500).

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****7. INCOME TAX****Analysis of tax charge/ (credit)**

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Current tax:		
Corporation tax	-	(262)
Prior year tax adjustment	<u>373</u>	<u>522</u>
Total current tax	<u>373</u>	<u>260</u>
Deferred tax:		
Deferred tax - current year	(940)	(204)
Deferred tax - prior period adjustment	390	(365)
Change in rate of deferred tax	<u>(85)</u>	<u>-</u>
Total deferred tax	<u>(635)</u>	<u>(569)</u>
Total tax (credit) in statement of profit or loss and other comprehensive income	<u>(262)</u>	<u>(309)</u>

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****7. INCOME TAX – continued****Factors affecting the tax charge/ (credit)**

The tax assessed for the period is higher than as (2019 - higher) the standard rate of corporation tax in the UK.  
The difference is explained below:

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Loss before income tax	<u>(35,872)</u>	<u>(73,626)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(6,816)	(13,989)
Effects of:		
Change in rate of deferred tax	(85)	24
Prior period adjustment	763	157
Leasing charge	-	199
Expenses not deductible for tax purposes	5,583	-
Non qualifying asset depreciation	293	-
Impairment of investment	<u>-</u>	<u>13,300</u>
Tax charge/(credit)	<u>(262)</u>	<u>(309)</u>

The Company has been advised that Group tax relief is available, and that payment will be made at the standard rate of 19% (2019: 19%) of the amount of tax losses surrendered. During the period, the applicable rate of corporation tax was 19% which is expected to remain until 1 April 2023. From 1 April 2023, the main rate of corporation tax will increase to 25% applying to taxable profits over £250,000. As such, the company expects to pay tax at this higher rate in the future.

**8. INTANGIBLE ASSETS**

	Computer software £'000
<b>COST</b>	
At 1 January 2020 and 30 June 2021	<u>281</u>
<b>AMORTISATION</b>	
At 1 January 2020	98
Amortisation for period	85
Impairment	<u>98</u>
At 30 June 2021	<u>281</u>
<b>NET BOOK VALUE</b>	
At 30 June 2021	<u>-</u>
At 31 December 2019	<u>183</u>

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued  
for the Period 1 January 2020 to 30 June 2021****9. PROPERTY, PLANT AND EQUIPMENT**

	Short leasehold £'000	Long leasehold £'000	Plant and machinery £'000
<b>COST</b>			
At 1 January 2020 (as restated)	37,271	10,279	-
Additions	-	-	4
Disposals	-	-	-
Impairments	(33,935)	(6,177)	(4)
At 30 June 2021	3,336	4,102	-
<b>DEPRECIATION</b>			
At 1 January 2020	1,267	1,199	-
Charge for period	1,918	1,028	-
Eliminated on disposal	-	-	-
At 30 June 2021	3,185	2,227	-
<b>NET BOOK VALUE</b>			
At 30 June 2021	151	1,875	-
At 31 December 2019	36,004	9,080	-
	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>			
At 1 January 2020 (as restated)	959	2,040	50,549
Additions	-	-	4
Disposals	(32)	-	(32)
Impairments	(509)	(547)	(41,172)
At 30 June 2021	418	1,493	9,349
<b>DEPRECIATION</b>			
At 1 January 2020	135	714	3,315
Charge for period	142	613	3,701
Eliminated on disposal	(13)	-	(13)
At 30 June 2021	264	1,327	7,003
<b>NET BOOK VALUE</b>			
At 30 June 2021	154	166	2,346
At 31 December 2019	824	1,326	47,234

**Right of Use Assets**

During the period short leasehold assets were impaired due to the early surrender of leases at Ingenuity House after the balance sheet date (see note 22). The net book value as at 30 June 2021 for right of use assets included in tangible assets above is £166,000 (2019: £35,542,000).

The opening 1 January 2020 cost of short leasehold property has been restated by £612,000 to include the impact of inflation-based rent increases at Ingenuity House which was already included in the original agreement.

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****10. INVESTMENTS**

	Shares in group undertakings £'000
<b>COST</b>	
At 1 January 2020	70,000
Disposal	<u>(70,000)</u>
At 30 June 2021	<u>-</u>
<b>PROVISIONS</b>	
At 1 January 2020	70,000
Eliminated on disposal	<u>(70,000)</u>
At 30 June 2021	<u>-</u>
<b>NET BOOK VALUE</b>	
At 30 June 2021	<u><u>-</u></u>
At 31 December 2019	<u><u>-</u></u>

The disposal shown above relates to the sale on 30 April 2020 for a consideration of £1 of the fully impaired investment in Interservefm Limited to Interservefm (Holdings) Limited.



**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021**

**10. INVESTMENTS - continued**

The disposal of investments during the period included the subsidiaries and joint ventures of Interservefm Ltd as follows:

- Interserve (Defence) Limited
- Interserve (Facilities Management) Limited
- Building & Property Trustees Limited
- Interserve (Facilities Services) Limited
- Interserve FS (UK) Limited
- Axiam Limited
- Landmarc Solutions Limited
- Interserve (Facilities Services - Slough) Limited
- Interserve Catering Services Limited
- Interserve Integrated Services Limited
- Knightsbridge Guarding Holdings Limited
- Modus FM Limited
- Phoenix Fire Services Limited
- MSS Facilities Management Limited
- Interserve Building Services (UK) Limited
- Interserve Hospital Services Limited
- Interserve Fire Services Limited
- Insitu Cleaning Limited
- Benchmark Carpet Care Limited
- Central Window Cleaning Company Limited
- Hi-Tech Cleaning Solutions Limited
- Phonotas Cleaning Services Limited
- Retail Cleaning Services Limited
- St James Cleaning and Support Services Limited
- Lancaster Office Cleaning Company Limited
- KGL Business Services Limited
- Perception UK LLP
- Interserve Security (Knightsbridge) Limited
- Lancaster Payroll Company Limited
- Lancaster Employment Business Limited
  
- Landmarc Support Services Limited (joint venture)
- PriDE (SERP) Limited (joint venture)
- Sussex and Estates Facilities LLP (joint venture)

The company had no remaining investments at the 30 June 2021.

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****11. DEFERRED TAXATION**

The deferred tax asset consists of the following amounts:

	2021 £'000	2019 £'000
Accelerated capital allowances	1,351	722
Other timing differences	-	(7)
	<u>1,351</u>	<u>715</u>

A deferred tax asset of £1,351,000 has been recognised as at 30 June 2021 (2019: £722,000) in respect of unclaimed capital allowances. The directors expect that these capital allowances will be utilised in future periods. The movements in deferred tax are as follows:

	Period 1.1.20 to 30.6.21 £'000	2019 £'000
As at 1 January	715	146
Credit to the statement of total comprehensive income	<u>636</u>	<u>569</u>
As at period end	<u>1,351</u>	<u>715</u>

**12. TRADE AND OTHER RECEIVABLES**

	2021 £'000	2019 £'000
Current:		
Trade debtors	-	5
Intra group trade balances	244	94,296
Prepayments	-	-
	<u>244</u>	<u>94,301</u>

The intercompany trade balances incur no interest and are repayable on demand.

**13. TRADE AND OTHER PAYABLES**

	2021 £'000	2019 £'000
Current:		
Trade creditors	-	105
Social security and other taxes	256	7
Intra group trade balances	62,202	71,728
Deferred income	2,239	2,332
Accrued expenses	<u>239</u>	<u>-</u>
	<u>64,936</u>	<u>74,172</u>
Non-current:		
Amounts owed to group undertakings	<u>-</u>	<u>86,704</u>
Aggregate amounts	<u>64,936</u>	<u>160,876</u>

Due to a restructure of balances during the period amounts owed to group undertakings are now repayable on demand and no interest is payable.

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****14. FINANCIAL LIABILITIES - BORROWINGS**

	2021 £'000	2019 £'000
<b>Current:</b>		
Bank overdrafts	532	3,876
Leases (see note 15)	<u>32,904</u>	<u>2,989</u>
	<u>33,436</u>	<u>6,865</u>
<b>Non-current:</b>		
Leases (see note 15)	<u>-</u>	<u>29,881</u>
<b>Terms and debt repayment schedule</b>		
		1 year or less
		£'000
Bank overdrafts		532
Leases		<u>32,904</u>
		<u>33,436</u>

The current period lease liabilities are shown as current as the lease at Ingenuity House was surrendered to the landlord on 8 June 2022 as the Group had no further use for either the property or the remaining fixed assets post the sale of the Support Services business to Mitie.

**15. LEASING**

<b>Right of use assets</b>	<b>Short leasehold £'000</b>	<b>Fixtures &amp; fittings £'000</b>	<b>Total £'000</b>
<b>COST</b>			
As at 1 January 2020 (as restated)	37,271	196	37,467
Additions	-	-	-
Disposals	-	(32)	(32)
Impairments	<u>(33,935)</u>	<u>(50)</u>	<u>(33,985)</u>
As at 30 June 2021	<u>3,336</u>	<u>114</u>	<u>3,450</u>
<b>DEPRECIATION</b>			
As at 1 January 2020	1,267	46	1,313
Charge for year	1,918	66	1,984
Eliminated on disposal	<u>-</u>	<u>(13)</u>	<u>(13)</u>
As at 30 June 2021	<u>3,185</u>	<u>99</u>	<u>3,284</u>
<b>NET BOOK VALUE</b>			
As at 30 June 2021	<u>151</u>	<u>15</u>	<u>166</u>
As at 31 December 2019	<u>36,004</u>	<u>150</u>	<u>35,542</u>

The impairments during the period are largely in respect of the lease at Ingenuity House after the sale of the Group's Support Services business to Mitie Group Plc as the property was no longer required post disposal (£33,439,000) (see note 22). The opening 1 January 2020 cost of a short leasehold property has been restated by £612,000 to include the impact of inflation-based rent increases at Ingenuity House which was previously omitted upon adopting IFRS 16 in prior year accounts.

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021****16. PROVISIONS**

	Dilapidations provision £'000
At 1 January 2020	2,943
Credit to the statement of total comprehensive income for the year	<u>(2,943)</u>
At 30 June 2021	<u>-</u>

The provisions held for dilapidations were released during the period due to the early surrender of Ingenuity House property leases after the balance sheet date (see note 22).

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2019 £
83,300	Ordinary	1p	<u>833</u>	<u>833</u>

**18. RESERVES**

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2020	(77,821)	18,808	191	(58,822)
Deficit for the period	<u>(35,610)</u>	<u>-</u>	<u>-</u>	<u>(35,610)</u>
At 30 June 2021	<u>(113,431)</u>	<u>18,808</u>	<u>191</u>	<u>(94,432)</u>

**Share premium**

The value of £18,808,000 relates to shares that were issued in the period ending 31 December 1997 at a premium.

**Capital redemption reserve**

The value of £191,000 relates to the purchase of own shares in the period ending 31 December 1998.

There is a single class of shares and all shares in the class rank pari passu. There are no restrictions in place.

Retained earnings are the profits/(losses) since inception generated by a company that are not distributed as dividends to the shareholders.

Independent Auditors' Report to the Members of  
Building & Property (Holdings) Limited

**Matter on which we are required to report under the Companies Act 2006**

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 strategic report or the directors' report.

**Matters on which we are required to report by exception**

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.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant legal and regulatory frameworks are those that relate to the reporting framework, namely IFRS and compliance with the Companies Act, 2006.
- We understood how the Company is complying with those frameworks by making inquiries of management and those charged with governance. We corroborated our inquiries through inspection of Board meeting minutes. We considered the results from our other tests to identify instances of non-compliance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by challenging where fraud is most likely to occur. This included understanding how management are incentivised by the company's investors and where there may be opportunities to perpetrate fraud.

**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021**

**19. CONTINGENT LIABILITIES**

In the ordinary course of business the Company has given guarantees covering bank overdrafts to its fellow subsidiary undertakings. At 30 June 2021 these amounted to £195,687,000 (2019: £319,188,000).

Due to the nature of the guarantees it would be difficult to reliably measure the Company's potential obligation and as the directors consider it unlikely that there will be requirement to make a financial settlement as a result of these guarantees no liability has been recognised in the financial statements.

**Building & Property (Holdings) Limited (Registered number: 03230309)****Notes to the Financial Statements - continued  
for the Period 1 January 2020 to 30 June 2021****20. RELATED PARTY DISCLOSURES****Balances with Related parties**

	30 June 2021 £'000			31 December 2019 £'000		
	Gross debtor balance	Impairment provision	Net debtor balance	Gross debtor balance	Impairment provision	Net debtor balance
Related Party current accounts						
Interserve Group Ltd	150	-	150	284	-	284
Interserve Engineering Ltd	21	-	21	-	-	-
Tilbury Douglas Construction Ltd	73	-	73	-	-	-
Interserve Defence Ltd	-	-	-	65	-	65
Interserve FM Sage	-	-	-	38	-	38
Interserve Fm Ltd	-	-	-	39,129	-	39,129
Interserve Facilities Management Ltd	-	-	-	85	-	85
Interserve Fm Holdings Ltd	-	-	-	54,695	-	54,695
Total	244	-	244	94,296	-	94,296

	30 June 2021 £'000	31 December 2019 £'000
Related Party	Creditor balance	Creditor balance
Interserve FM Sage	-	165
Interserve Fm Ltd current account	-	12
Interserve Facilities Management Ltd current account	-	11,462
Interserve Fm Holdings Ltd current account	-	56,607
How Group Ltd interest free loan	62,202	-
Interserve Finance Ltd interest bearing loan	-	86,704
Interserve Finance Ltd current account	-	3,482
	62,202	158,432

**Transactions with related parties**

	30 June 2021 £'000			31 December 2019 £'000		
	Loan drawdown	Trading movements	Loan repayment	Trading movements	Loan repayment	
Related Party						
Interserve Group Ltd	-	(134)	-	(272)	-	-
Interserve Engineering Ltd	-	21	-	-	-	-
Tilbury Douglas Construction Ltd	-	72	-	(275)	-	-
Interserve Defence Ltd	-	(65)	-	65	-	-
Interserve FM Sage	-	127	-	(16)	-	-
Interserve Fm Ltd	-	(39,117)	-	39,167	-	-
Interserve Facilities Management Ltd	-	11,377	-	(38,680)	-	-
Interserve Fm Holdings Ltd	-	1,913	-	(104)	-	-
Interserve Finance Ltd	-	3,482	86,704	(132)	382	-
How Group Ltd	62,202	-	-	-	-	-

**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Notes to the Financial Statements - continued**  
**for the Period 1 January 2020 to 30 June 2021**

**21. RELATED PARTY DISCLOSURES - continued**

**Transactions with key management personnel**

There were no key management personnel transactions during the period to 30 June 2021 or in the prior year to 31 December 2019 other than directors' remuneration which was paid by Interserve Group Limited, the company's ultimate parent (see note 3).

**22. POST BALANCE SHEET EVENTS**

Since the balance sheet date, Interserve Group Limited management has been working with its external advisers to implement a Corporate Resolution Plan to enable an orderly dissolution over time of most of the remaining subsidiaries of the Interserve Group and this exercise is currently still ongoing.

Under the terms of the agreement to sell the Interserve UK Facilities Management business to Mitie Group PLC, Mitie occupied the Company's Ingenuity House property under a twelve month licence which expired on the 30 November 2021, Mitie then served notice to leave the property at which point the Interserve Group had no further use for this property.

As a result on 8 June 2022, the Company early surrendered its 30 year leasehold interest in Ingenuity House at Elmdon Trading Estate, Bickenhill Lane, Birmingham which commenced on 9 November 2017 to the landlord of the property Standard Life Assurance Limited at a cost of £250,000 plus VAT. This has resulted in an adjustment being made to impair the right of use leasehold property asset by £33,935,000 at the 30 June 2021 balance sheet date (see note 4) with the property lease liability however being retained given the fact that this liability to the landlord still existed at the balance sheet date.

**23. ULTIMATE CONTROLLING PARTY**

The Company's immediate parent company is Interserve Group Holdings Limited, a company registered in England and Wales.

As at 30 June 2021 Interserve Group Limited, a company registered in England and Wales was the company regarded by the directors as the ultimate parent company and controlling party and was the smallest and largest group for which group financial statements were prepared. The Group accounts can be obtained from Capital Tower, 91 Waterloo Road, London, England, SE1 8RT.



**Building & Property (Holdings) Limited (Registered number: 03230309)**

**Reconciliation of Equity and Loss**

**1 January 2020**

**(Date of Transition to IFRSs)**

The Company has adopted IFRS as of the 1<sup>st</sup> January 2020. Previously the financial statements were prepared under FRS 101 – Reduced Disclosure Framework.

There was no impact on either the Company's equity or its loss arising from transitioning from FRS 101 to IFRS as at 1<sup>st</sup> January 2020.