

Three Sixty SHG Ltd

Directors' report and financial statements

Registered number 10377645

Year ended 31 March 2021

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General Information

Directors:

David Wright, Chair from 12.12.16

Peter Fitzhenry

Josephine Hague

Jenny Osbourne

Philip Pemberton

Registered Office:

Cornerstone
2 Edward Street
Stockport
SK1 3NQ

Auditor:

Beever and Struthers
St George's House
215-219 Chester Rd
Manchester
M15 4JE

Bankers:

Barclays Bank Limited
PO Box 190
Leeds
LS1 5WU

Solicitors:

Stockport MBC
Stopford House
Stockport
SK1 3XE

Directors' Report

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

Principal Activities

Three Sixty SHG Limited (Three Sixty) is a wholly owned subsidiary of Stockport Homes Limited. The principal activities of the company are to provide construction and maintenance services.

Business Review

Despite the impact of the Covid-19 pandemic, the 2020/21 financial year has been another successful year for Three Sixty. The company now has 72 direct employees delivering a large proportion of the Council's capital programme as well as works for other work streams which now makes up 7% of the company's turnover. New external clients have been secured and there is a healthy pipeline of opportunities going in to 2021/22.

Within the year, whilst projects were initially paused during the start of the pandemic, works recommenced as soon as possible and Covid safe measures were introduced across all sites. Naturally as a result of this, the company turnover and profit reduced this year, but the positive out-turn overall demonstrates the company's resilience and commitment in the most testing of times.

Overall Three Sixty has made a profit of £157,000 in 2020/21. From this, the company has been able to gift aid £158,000 to Stockport Homes' charitable subsidiary, Foundations Stockport, which has always been the company's aspiration. Since its inception, retained earnings of £654,000 have been achieved to 31 March 2021. Three Sixty has demonstrated continued growth since its inception and this is set to continue with a view to increasing its potential to support the company's commercial and social objectives going forward.

On this basis a new 3 year Business Plan has been developed which will see the company grow significantly over this time, through the insourcing of further Stockport Homes' contracts and the delivery of an increased number of external contracts. This will include repairs and maintenance; new build and electrical testing works.

Directors and Directors' Interests

The directors who held office during the year were as follows:

David Wright, Chair from 12.12.16

Peter Fitzhenry

Josephine Hague

Jenny Osbourne

Philip Pemberton

None of the directors had a beneficial interest in the shares of the company.

Mr. Paul Gerrard was appointed as a co-optee on 19 March 2018. However he is not a Director of the company.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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.

Auditors

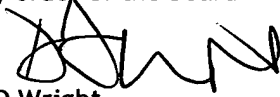
So far as each director is aware there is no relevant audit information of which the company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant information and to establish that the company's auditor are aware of that information.

The auditor, Beever and Struthers, is deemed to be reappointed in accordance with section 487 of the Companies Act 2006.

Small Company Provisions

This report was approved by the Board on 19 July 2021, and has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board


D Wright

Director

Cornerstone
2 Edward Street
Stockport
SK1 3NQ

Independent Auditor's Report to the Member of Three Sixty SHG Limited

Opinion

We have audited the financial statements of Three Sixty SHG Limited ('the company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income and Retained Earnings, the Statement of Financial Position 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 United Kingdom Accounting Standards, including FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements 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 or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small company's regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, tax legislation and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws relating to taxation matters.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of

BEEVER AND STRUTHERS

Chartered Accountants and Statutory Auditor

St George's House

215/219 Chester Road

Manchester

M15 4JE

Date:

19/7/21

**Statement of Comprehensive Income and Retained Earnings
for the year ended 31 March 2021**

	2021 £'000	2020 £'000
Turnover	5,906	7,221
Cost of sales	<u>(4,964)</u>	<u>(5,806)</u>
Gross profit	942	1,415
Administrative expenses	<u>(777)</u>	<u>(762)</u>
Operating Profit	165	653
Interest receivable	-	7
Interest payable and similar expenses	<u>(7)</u>	<u>(7)</u>
Profit before taxation	158	653
Tax on profit	<u>(1)</u>	<u>(73)</u>
Profit for the year	157	580
Retained earnings as at the beginning of the accounting period	655	348
Gift Aid paid	<u>(158)</u>	<u>(273)</u>
Retained earnings as at the end of the accounting period	<u><u>654</u></u>	<u><u>655</u></u>

All the activities are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 9 to 12 form part of these accounts.

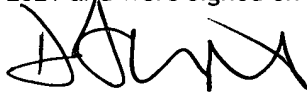
Statement of Financial Position
at 31 March 2021

	<i>Note</i>	2021 £'000	2020 £'000
Fixed assets			
Property, plant and equipment	4	2	6
Current assets			
Debtors	5	888	863
Cash at bank and in hand		620	833
		1,508	1,696
Creditors: amounts falling due within one year	6	(856)	(1,005)
Net current assets		652	691
Total assets less current liabilities		654	697
Creditors: amounts falling due after more than one year	7	-	(42)
Total net assets		654	655
Capital and reserves			
Called up share capital		-	-
Profit and loss account		654	655
Total shareholder funds		654	655

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 the Financial Reporting Standard applicable in the UK And Republic of Ireland.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements were approved and authorised for issue by the Board of directors on 19 July 2021 and were signed on its behalf by:



D Wright
Director
Company registration number: 10377645

The notes on pages 9 to 12 form part of these accounts.

Notes to the Financial Statements
(forming part of the financial statements)

1. Statutory Information

Three Sixty SHG Ltd is a private company limited by shares, registered in England and Wales. The registered office is Cornerstone, 2 Edward Street, Stockport, SK1 3NQ.

2. Compliance with Accounting Standards

The financial statements have been prepared in compliance with Section 1A of FRS 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland".

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, rounded to the nearest £'000, which is the functional currency of the entity.

Revenue Recognition

Turnover is measured at the fair value of consideration received or receivable and represents amounts received for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of its tangible fixed assets by equal annual instalments over their useful economic lives as follows:

Site set up - 5 years

Tools and equipment - 5 years

A de minimis value of £1,000 applies to individual items. No depreciation is provided on freehold land or investment properties.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either other creditors or accruals at the year end.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference

Financial Instruments

All financial instruments held by the company are classified as basic with regards FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans that are payable or receivable within one year are not discounted.

Gift Aid

Gift aid payments are accounted for as a distribution. Gift aid payments are only accrued where a legal obligation to make the payment exists at the reporting date.

Government Grants

Government grants are recognised in the financial statements only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grant will be received, using the performance model. Government grant in relation to the Coronavirus Job Retention Scheme is recognised as income and has not been offset against expenditure.

4. Tangible fixed assets

	Plant and Machinery etc. £'000	Total £'000
Cost		
At 1 April 2020	20	20
At 31 March 2021	20	20
Depreciation		
At 1 April 2020	(14)	(14)
Charge for year	(4)	(4)
At 31 March 2021	(18)	(18)
Net Book Value		
At 31 March 2021	2	2
At 31 March 2020	6	6

5. Debtors

	2021 £'000	2020 £'000
Amounts owed by parent undertaking	855	837
Other Debtors	33	26
	888	863

Notes (continued)

6. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	134	129
Corporation tax	-	73
Intercompany loan	42	50
Other amounts owed to parent undertaking	8	18
Other Tax and Social Security	155	123
Other creditors	13	14
Accruals and deferred income	504	598
	<hr/> 856	<hr/> 1,005
	<hr/>	<hr/>

7. Creditors: Amounts falling due after more than one year

	2021 £'000	2020 £'000
Intercompany loan	-	42
	<hr/> -	<hr/> 42
	<hr/>	<hr/>

8. **Contingent Liabilities**

There were no contingent liabilities at the balance sheet date.

9. **Guarantees and Financial Commitments**

The company had guarantees and financial commitments at the balance sheet date of £nil (2020 £nil).

10. **Related party disclosures and ultimate controlling party**

The company is controlled by Stockport Homes Limited, which owns 100 ordinary £1 shares (100%) of the share capital of the company. Stockport Homes Limited produces consolidated accounts which are available to members of the public from its registered office: Stockport Homes Limited, Cornerstone, 2 Edward St, Stockport, SK1 3NQ.

Stockport Metropolitan Borough Council is the ultimate controlling party of the company. Stockport Metropolitan Borough Council produces consolidated accounts which are available to members of the public from its registered office (Fred Perry House, Stockport, SK1 3UR).

The company has taken advantage of the exemption available under Financial Reporting Standard 102 not to disclose transactions with other wholly owned entities that are part of the group on the basis that consolidated financial statements in which the company is included are publicly available.

Notes (continued)

Amounts paid to non-executive directors during the period totalled £10,911, in addition expenses of £1,548 were paid in 2020/21 (£1,334 in 2019/20) related to travel and subsistence:

Board member	Remuneration 20/21	Remuneration 19/20
	£	£
David Wright	3,273	3,195
Peter Fitzhenry	1,637	1,141
Josephine Hague	1,090	761
Jenny Osbourne	2,729	1,843
Phil Pemberton	2,182	2,126
Total	10,911	9,066

11. **Average Number of Employees**
The average number of employees during the period was 67 (2020: average 72).
12. Auditors remuneration amounted to £5,675 (2020: £4,320).
13. **Coronavirus Job Retention Scheme Grant**
Three Sixty received £223,000 of grant income related to the Coronavirus Job Retention Scheme (2020: £10,000)
14. **Transfer of staff from Stockport Homes to Three Sixty**
59 members of staff transferred from R1st in Stockport Homes to Three Sixty as at 1st April 2021.