TUNNELCRAFT LABOUR SERVICES LLP

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021

PAGES FOR FILING WITH REGISTRAR

Limited Liability Partnership Registration No. OC425232 (England and Wales)

TUNNELCRAFT LABOUR SERVICES LLP

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TUNNELCRAFT LABOUR SERVICES LLP

BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	**4**		27,000,000		28,500,000
Current assets					
Debtors	**5**	1,096,933		761,503	
Cash at bank and in hand		2,015,945		2,023,029	
		3,112,878		2,784,532	
Creditors: amounts falling due within one year	**6**	(536,440)		(464,892)	
Net current assets			2,576,438		2,319,640
Total assets less current liabilities and net assets attributable to members			29,576,438		30,819,640
Represented by:					
Members' other interests	**7**				
Members' capital classified as equity			29,576,438		30,819,640
			29,576,438		30,819,640

These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

For the financial year ended 31 January 2021 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small limited liability partnerships.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 21 September 2021 and are signed on their behalf by:

C P Hicks
Designated member

Limited Liability Partnership Registration No. OC425232

1 Accounting policies

Limited liability partnership information
Tunnelcraft Labour Services LLP is a limited liability partnership incorporated in England and Wales. The registered office is 166 College Road, Harrow, Middlesex, HA1 1RA.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable from the supply of labour and direct contracting for tunnelling projects, provided in the normal course of business, and is shown net of VAT.

1.3 Intangible fixed assets - goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.4 Financial instruments

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

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

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

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

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

1 Accounting policies **(Continued)**

1.5 Leases

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.6 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.7 Gross amounts due from contract customers

Gross amounts due from contract customers, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account.

2 Employees

There were no direct employees during the period apart from members. The LLP's employment costs refers to amounts recharged by Tunnelcraft Limited in respect of employees.

3 Information in relation to members

	2021 Number	2020 Number
Average number of members during the year	4	4

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2020 and 31 January 2021	30,000,000
Amortisation and impairment	
At 1 February 2020	1,500,000
Amortisation charged for the year	1,500,000
At 31 January 2021	3,000,000
Carrying amount	
At 31 January 2021	27,000,000
At 31 January 2020	28,500,000

5 Debtors

Amounts falling due within one year:	2021 £	2020 £
Gross amounts owed by contract customers	965,602	640,340
Other debtors	34,428	28,000
Prepayments and accrued income	96,903	93,163
	1,096,933	761,503

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	505,777	428,793
Other creditors	5,495	5,251
Accruals and deferred income	25,168	30,848
	536,440	464,892

7 Reconciliation of Members' Interests

	EQUITY Members' other interests		TOTAL MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total 2021
	£	£	£
Members' interests at 1 February 2020	30,819,640	-	30,819,640
Loss for the financial year available for discretionary division among members	-	(2,281,655)	(2,281,655)
Members' interests after loss for the year	30,819,640	(2,281,655)	28,537,985
Allocation of loss for the financial year	-	2,281,655	2,281,655
Other divisions of profits	(2,281,655)	-	(2,281,655)
Other movements	1,038,453	-	1,038,453
Members' interests at 31 January 2021	29,576,438	-	29,576,438

8 Operating lease commitments

Lessee

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021	2020
	£	£
	76,667	93,334

9 Related party transactions

During the year, the LLP was charged for wages cost of £8,356,347 (2020: £7,171,770), subcontractor labour cost of £2,269,315 (2020: £813,610), agency service commissions of £26,364 (2020: £18,113), licence fees of £431,646 (2020: £319,159) and use of plant and equipment costs of £30,157 (2020: £34,061) by Tunnelcraft Limited, a corporate member of the LLP, on commercial terms.