

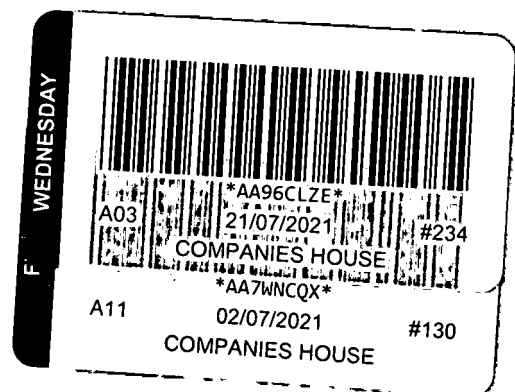
Registration number: 03528320



MPM Housing Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 30 September 2020



MPM Housing Limited

Contents

Company Information	1
Directors' Report	2 to 3
Profit and Loss Account	4
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Unaudited Financial Statements	8 to 16

MPM Housing Limited

Company Information

Directors	Mr Andrew Smith
	Mr Ben Westran
Registered office	1390 Montpellier Court Gloucester Business Park Brockworth Gloucester Gloucestershire GL3 4AH
Solicitors	Travers Smith 10 Snow Hill London EC1A 2AL
Bankers	Barclays Bank PLC Corporate Banking 4th Floor Bridgewater House Counterslip, Finzels Reach Bristol BS1 6BH

Directors' Report for the Year Ended 30 September 2020

The directors present their report and the unaudited financial statements for the year ended 30 September 2020. The comparative results are for the period from 1 April 2018 to 30 September 2019.

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The directors has taken exemption under this regime not to disclose the strategic report.

Directors' of the company

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

Mrs Victoria Fordham-Lewis (ceased 30 June 2020)

Mr Andrew Smith

Mr Ben Westran

Principal activity

The principal activity of the company is the provision of management and administration services to fellow subsidiary undertakings. There were no significant changes in the Company's principal activities in the period under review.

Business review

Fair review of the business

The Company has delivered a post tax profit for the year of £3,218,000 (2019: loss for the period £3,812,000).

Going concern

The principal risks and uncertainties of the Company are managed at a Group level, and given how the Group's intra-group funding structure is administered the directors' deem it appropriate to consider going concern at a Group level, and not the individual Company level.

In considering the appropriateness of adopting the going concern basis for preparing the financial information, the directors noted that the Company and Group operate in robust defensive markets where spend is largely non-discretionary and that contracts tend to be long-term partnerships. The Board has a reasonable expectation that the group is able to manage its business risks and to continue in operational existence for at least 12 months from the date of signing of the accounts and has sufficient liquidity and covenant headroom, after consideration of the reasonably possible downside scenarios, until 30 June 2022.

On this basis, and with Mears Group PLC having confirmed in writing its intention to continue to support the Company for at least 12 months from the date of the approval of this report, the directors consider it appropriate to adopt the going concern basis for preparing the financial information.

Directors' liabilities

Indemnifications of Directors in accordance with our Articles of Association and to the extent permitted by the laws of England and Wales, Directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their position in office. However, our indemnity does not cover Directors or officers in the event of being proven of acting dishonestly or fraudulently.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

MPM Housing Limited

Directors' Report for the Year Ended 30 September 2020 (continued)

Approved by the Board on 30 June 2021 and signed on its behalf by:



.....
Mr Ben Westran
Director

MPM Housing Limited

Profit and Loss Account for the Year Ended 30 September 2020

	Note	2020 £ 000	2019 £ 000
Revenue	4	-	6,276
Administrative expenses		(22)	(10,096)
Exceptional items	5	<u>3,240</u>	<u>-</u>
Operating profit/(loss)	6	3,218	(3,820)
Other interest receivable and similar income	7	-	10
Interest payable and similar charges	8	<u>-</u>	<u>(2)</u>
Profit/(loss) before tax		3,218	(3,812)
Tax on profit/(loss) on ordinary activities	10	<u>-</u>	<u>47</u>
Profit/(loss) for the year		<u><u>3,218</u></u>	<u><u>(3,765)</u></u>

The above results were derived from continuing operations.

MPM Housing Limited

Statement of Comprehensive Income for the Year Ended 30 September 2020

	2020 £ 000	2019 £ 000
Profit/(loss) for the year	<u>3,218</u>	<u>(3,765)</u>
Total comprehensive income for the year	<u><u>3,218</u></u>	<u><u>(3,765)</u></u>

MPM Housing Limited

(Registration number: 03528320)

Balance Sheet as at 30 September 2020

	Note	30 September 2020 £ 000	30 September 2019 £ 000
Fixed assets			
Tangible assets	12	-	266
Current assets			
Debtors due after more than one year		541	143
Creditors: Amounts falling due within one year			
Trade and other payables	13	(10)	(981)
Loans and borrowings	14	-	(706)
Creditors: Amounts falling due within one year		<u>(10)</u>	<u>(1,687)</u>
Net current assets/(liabilities)		<u>531</u>	<u>(1,544)</u>
Total assets less current liabilities		531	(1,278)
Creditors: Amounts falling due after more than one year			
Amounts due to related parties		<u>(551)</u>	<u>(1,960)</u>
Net liabilities		<u>(20)</u>	<u>(3,238)</u>
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account		<u>(20)</u>	<u>(3,238)</u>
Shareholders' deficit		<u>(20)</u>	<u>(3,238)</u>

For the financial year ending 30 September 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 30 June 2021 and signed on its behalf by:



Mr Ben Westran
Director

The notes on pages 8 to 16 form an integral part of these financial statements.

MPM Housing Limited

Statement of Changes in Equity for the Year Ended 30 September 2020

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 October 2019	-	(3,238)	(3,238)
Profit for the year	-	3,218	3,218
Total comprehensive income	-	3,218	3,218
At 30 September 2020	-	(20)	(20)

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2018	-	527	527
Loss for the period	-	(3,765)	(3,765)
Total comprehensive income	-	(3,765)	(3,765)
At 30 September 2019	-	(3,238)	(3,238)

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020

1 General information

The financial statements present the results and financial position of MPM Housing Limited ("the Company") for the year ended 30 September 2020.

The Company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

1390 Montpellier Court
Gloucester Business Park
Brockworth
Gloucester
Gloucestershire
GL3 4AH
United Kingdom

These financial statements were authorised for issue by the Board on 30 June 2021.

2 Accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with applicable accounting standards, including FRS 101, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. The financial statements are presented in Sterling (£).

The Company has taken advantage of the reduced disclosures for subsidiaries provided for in FRS 101 and the specific exemptions that the Company has taken advantage of are set out in 'Summary of disclosure exemptions'.

Going concern

The principal risks and uncertainties of the Company are managed at a Group level, and given how the Group's intra-group funding structure is administered the directors' deem it appropriate to consider going concern at a Group level, and not the individual Company level.

In considering the appropriateness of adopting the going concern basis for preparing the financial information, the directors noted that the Company and Group operate in robust defensive markets where spend is largely non-discretionary and that contracts tend to be long-term partnerships. The Board has a reasonable expectation that the group is able to manage its business risks and to continue in operational existence for at least 12 months from the date of signing of the accounts and has sufficient liquidity and covenant headroom, after consideration of the reasonably possible downside scenarios, until 30 June 2022.

On this basis, and with Mears Group PLC having confirmed in writing its intention to continue to support the Company for at least 12 months from the date of the approval of this report, the directors consider it appropriate to adopt the going concern basis for preparing the financial information.

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2020. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of IFRS 2 Share-based Payments;
- b) The requirements of IFRS 3 Business Combinations;
- c) The requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- d) The requirements of IFRS 7 Financial Instruments: Disclosures;
- e) The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- f) The requirements of IFRS 15 Revenue from Contracts with Customers;
- g) The requirements of IFRS 16 Leases;
- h) The requirements of paragraph 58 of IFRS 16;
- i) The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- j) The requirements of paragraph 10(d) and 134 to 136 of IAS 1 Presentation of Financial Statements;
- k) The requirements of IAS 7 Statement of Cash Flows;
- l) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- m) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- n) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- o) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

Exceptional costs

Exceptional costs are disclosed on the face of the Profit and Loss Account where these are material and considered necessary to explain the underlying financial performance of the Company. They are either one off in nature or necessary elements of expenditure to derive future benefits for the Company which have not been capitalised in the Balance Sheet.

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises tax.

Current tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the accounting periods to which they relate, based on the taxable profit for the year.

Where an item of income or expense is recognised in the Profit and Loss Account, any related tax generated is recognised as a component of tax expense in the Profit and Loss Account. Where an item is recognised directly to equity or presented within the Profit and Loss Account, any related tax generated is treated similarly.

Tangible assets

Items of property, plant and equipment are stated at historical cost, net of depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow into the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Profit and loss account during the financial period in which they are incurred.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property improvements	over the period of the lease
Land and buildings	25% per annum, reducing balance

Contract assets

Contract assets are included in trade and other receivables and represent revenue recognised in excess of the total of payments on account and amounts invoiced.

Reserves

Share capital is determined using the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020 (continued)

2 Accounting policies (continued)

Financial assets and liabilities

Financial assets and liabilities are recognised in the Balance Sheet when the Company becomes party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

Financial assets, loans and receivables

The assets generated from goods or services transferred to customers are presented as either receivables or contract assets, in accordance with IFRS 15. The assessment of impairment of receivables or contract assets is in accordance with IFRS 9 'Financial Instruments'.

All cash flows from customers are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the Company's revenue streams are therefore initially measured at their fair value, which is considered to be their transaction price (as defined in IFRS 15) and are subsequently remeasured at amortised cost.

Under IFRS 9, the Company recognises a loss allowance for expected credit losses (ECL) on financial assets subsequently measured at amortised cost using the 'simplified approach'. Individually significant balances are reviewed separately for impairment based on the credit terms agreed with the customer. Other balances are grouped into credit risk categories and reviewed in aggregate.

Trade receivables, contract assets and cash at bank and in hand are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables and contract assets are initially recorded at fair value net of transaction costs, being invoiced value less any provisional estimate for impairment should this be necessary due to a loss event. Trade receivables are subsequently remeasured at invoiced value, less an updated provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the Profit and Loss Account.

Cash and cash equivalents include cash at bank and in hand and bank deposits available with no notice or less than three months' notice from inception that are subject to an insignificant risk of changes in value. Bank overdrafts are presented as current liabilities to the extent that there is no right of offset with cash balances.

Following initial recognition, financial assets are subsequently remeasured at amortised cost using the effective interest rate method.

Financial Liabilities

The Company's financial liabilities are overdrafts, trade and other payables including accrued expenses, and amounts owed to Group companies.

All interest related charges are recognised as an expense in 'Interest payable and similar charges' in the Profit and Loss Account with the exception of those that are directly attributable to the construction of a qualifying asset, which are capitalised as part of that asset.

Bank and other borrowings are initially recognised at fair value net of transaction costs. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in finance income and finance costs. Borrowing costs are recognised as an expense in the period in which they are incurred with the exception of those which are directly attributable to the construction of a qualifying asset, which are capitalised as part of that asset.

Trade payables on normal terms are not interest bearing and are stated at their fair value on initial recognition and subsequently at amortised cost.

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020 (continued)

2 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Work in progress

Work in progress is included in inventories after deducting any foreseeable losses and payments on account not matched with revenue. Work in progress represents costs incurred on contracts that cannot be matched with contract work accounted for as revenue. Work in progress is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and any subcontracted work that has been incurred in bringing the inventories and work in progress to their present location and condition.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reported period. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

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

4 Revenue

The revenue and profit before tax are attributable to the one principal activity of the Company. All revenue is derived from within the United Kingdom.

The Company's revenue disaggregated by pattern of revenue recognition is as follows:

	2020 £ 000	2019 £ 000
Revenue from contracts with customers		
Management services	-	6,276

5 Exceptional items

Exceptional items comprise £3,240,000 (2019: £nil) in respect of the write off of intercompany debt owed to MPS Housing Limited.

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020 (continued)

6 Operating profit/(loss)

Arrived at after charging/(crediting)

	2020 £ 000	2019 £ 000
Depreciation on fixed assets	-	29
Amortisation expense	-	219
Loss on disposal of property, plant and equipment	-	3,524

7 Interest receivable and similar income

	2020 £ 000	2019 £ 000
Interest income on bank deposits	-	10

8 Interest payable and similar expenses

	2020 £ 000	2019 £ 000
Interest on bank overdrafts and borrowings	-	2

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	-	3,158
Social security costs	-	665
Other pension costs	-	41
	-	3,864

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Administration and support	-	72

10 Income tax

Tax charged/(credited) in the profit and loss account

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	-	(47)

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020 (continued)

10 Income tax (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit/(loss) before tax	3,218	(3,812)
Corporation tax at standard rate	(724)	(724)
Increase arising from group relief tax reconciliation	724	677
Total tax credit	-	(47)

11 Deferred tax

Deferred tax asset and liabilities

	Accelerated capital allowances £ 000	Share-based payments £ 000	Provisions £ 000	Total £ 000
As at 1 April 2018	121	19	3	143
Deferred tax charge in profit and loss account Recognised in Income	-	-	-	-
At 30 September 2019	121	19	3	143
Deferred tax charge in profit and loss account Recognised in Income	-	-	-	-
At 30 September 2020	121	19	3	143

Deferred tax is calculated on temporary differences under the liability method.

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020 (continued)

12 Tangible assets

	Land and buildings £ 000	Leasehold improvements £ 000	Total £ 000
Cost or valuation			
At 1 October 2019	255	51	306
Additions	-	-	-
Disposals	(255)	(51)	(306)
At 30 September 2020	-	-	-
Depreciation			
At 1 October 2019	11	29	40
Eliminated on disposal	(11)	(29)	(40)
At 30 September 2020	-	-	-
Carrying amount			
At 30 September 2020	-	-	-
At 30 September 2019	244	22	266

During the year, all assets were transferred at net book value to MPS Housing Limited.

13 Trade and other creditors

	30 September 2020 £ 000	30 September 2019 £ 000
Accrued expenses	-	981
Other creditors	10	-
	<u>10</u>	<u>981</u>

14 Loans and borrowings

	30 September 2020 £ 000	30 September 2019 £ 000
Current loans and borrowings		
Bank overdrafts	-	706

15 Parent and ultimate parent undertaking

The company's immediate parent is Mears Limited by virtue of its 100% shareholding.

The most senior parent entity producing publicly available financial statements is Mears Group PLC. These financial statements are available upon request from The Company Secretary, Mears Group PLC, 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH.

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2020 (continued)

16 Related party transactions

The Group of which the Company is a member has a central treasury arrangement in which all Group companies participate and procures a number of goods and services centrally which are recharged to its subsidiaries at cost. The Directors do not consider it meaningful to set out details of transfers made in respect of this treasury arrangement, nor the recharge of centrally procured goods and services, nor do they consider it meaningful to set out details of interest or dividend payments made within the Group.

17 Share capital

Allotted, called up and fully paid shares

	30 September 2020		30 September 2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>