

Registration number: 03528320

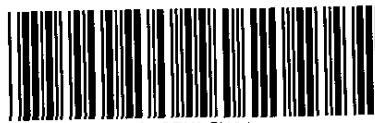


MPM Housing Limited

Annual Report and Unaudited Financial Statements

for the Period from 1 April 2018 to 30 September 2019

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MPM Housing Limited

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MPM Housing Limited

Company Information

Directors Mrs Victoria Fordham-Lewis
Mr Andrew Smith
Mr Ben Westran

Registered office 1390 Montpellier Court
Gloucester Business Park
Brockworth
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Gloucestershire
GL3 4AH

Solicitors BPE
St James' House
St James' Square
Cheltenham
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MPM Housing Limited

Directors' Report for the Period from 1 April 2018 to 30 September 2019

The directors present their report and the unaudited financial statements 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 period, were as follows:

Mrs Victoria Fordham-Lewis (appointed 30 November 2018)

Mr Andrew Smith (appointed 30 November 2018)

Mr Ben Westran (appointed 30 November 2018)

Mr Mathew Bishop (resigned 4 May 2018)

Mr Richard Blumberger (appointed 25 May 2018 and resigned 30 November 2018)

Mr Peter Dickenson (appointed 25 May 2018 and resigned 30 November 2018)

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 pre tax loss for the period of £3,765,000 (2018: loss of £139,000),

On 30 November 2018, Mears Limited acquired 100% of the share capital. As a consequence of the sale, the company changed its name on 5 December 2018 from Mitie Property Management Limited to MPM Housing Limited.

MPM Housing Limited

Directors' Report for the Period from 1 April 2018 to 30 September 2019 (continued)

Going concern

Mears Group PLC, the parent company, has a centralised treasury arrangement and so shares banking arrangements with its subsidiaries.

After making enquiries, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future.

However, the uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis. The company has completed an assessment as to the impact to the Company in the event of a significant deterioration in revenues and productivity. This most severe downside scenario included a number of assumptions with regards to revenue recognition, non-productive labour costs and changes in working capital. This scenario is currently considered unlikely; however, it is difficult to predict the overall outcome and impact of COVID-19 at this stage. The Directors believe that in this most severe downside scenario, there is a risk that the Company's funding requirement could exceed its existing committed debt facilities and therefore concluded that in this scenario there is a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The Company also completed an assessment of what is considered the most likely impact of COVID-19, which incorporated a number of mitigating actions, together with the benefit of reliefs made available from the Central Government including furloughing of employees and a deferral of the settlement of VAT liabilities. The most likely impact shows the Company's existing funding is sufficient to sustain the business and settle obligations as and when they fall due.


Given that it remains challenging to measure the impact with any degree of precision given the extent of the uncertainty, and the fact that whilst the most likely scenario shows increased headroom when compared to the most severe downside scenario, the risk of a potential covenant breach remains a risk. The Directors have concluded that the uncertainty over the impact of the COVID-19 pandemic described above, including possible mitigating actions represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Further adverse changes arising from COVID-19 would increase the challenge of complying with financial covenants and remaining within banking facilities.

Nevertheless, having assessed the combination of these various options and the impact of a potential liquidity shortfall in the event of an extended period of impact as a result of the COVID-19 pandemic, the Directors have a reasonable expectation the Company has adequate resources to continue in operational existence for the next 12 months. For these reasons, they continue to adopt a going concern basis for the preparation of the financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

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.

Approved by the Board on 28 September 2020 and signed on its behalf by:



.....
Mr Ben Westran
Director

MPM Housing Limited

Profit and Loss Account for the Period from 1 April 2018 to 30 September 2019

	Note	2019 £ 000	2018 £ 000
Revenue	4	6,276	8,774
Administrative expenses		<u>(10,096)</u>	<u>(8,983)</u>
Operating loss	5	(3,820)	(209)
Other interest receivable and similar income	6	10	23
Interest payable and similar charges	7	<u>(2)</u>	<u>-</u>
Loss before tax		(3,812)	(186)
Tax on loss on ordinary activities	9	<u>47</u>	<u>47</u>
Loss for the period		<u><u>(3,765)</u></u>	<u><u>(139)</u></u>

The above results were derived from continuing operations.

MPM Housing Limited

Statement of Comprehensive Income for the Period from 1 April 2018 to 30 September 2019

	2019 £ 000	2018 £ 000
Loss for the period	<u>(3,765)</u>	<u>(139)</u>
Total comprehensive income for the period	<u><u>(3,765)</u></u>	<u><u>(139)</u></u>

The notes on pages 9 to 21 form an integral part of these financial statements.

MPM Housing Limited

(Registration number: 03528320)

Balance Sheet as at 30 September 2019

	Note	30 September 2019 £ 000	31 March 2018 £ 000
Fixed assets			
Intangible assets	12	-	3,514
Tangible assets	11	<u>267</u>	<u>295</u>
		<u>267</u>	<u>3,809</u>
Current assets			
Debtors	13	143	269
Cash at bank and in hand		<u>-</u>	<u>1,952</u>
		<u>143</u>	<u>2,221</u>
Creditors: Amounts falling due within one year			
Trade and other payables	14	(981)	(1,589)
Loans and borrowings	15	(706)	-
Income tax liability	9	<u>-</u>	<u>(39)</u>
Creditors: Amounts falling due within one year		<u>(1,687)</u>	<u>(1,628)</u>
Net current (liabilities)/assets		<u>(1,544)</u>	<u>593</u>
Total assets less current liabilities		(1,277)	4,402
Creditors: Amounts falling due after more than one year			
Amounts owed to related parties		<u>(1,961)</u>	<u>(3,875)</u>
Net (liabilities)/assets		<u>(3,238)</u>	<u>527</u>
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account		<u>(3,238)</u>	<u>527</u>
Shareholders' (deficit)/funds		<u>(3,238)</u>	<u>527</u>

For the financial period ending 30 September 2019 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 period 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.

The notes on pages 9 to 21 form an integral part of these financial statements.

MPM Housing Limited

(Registration number: 03528320)

Balance Sheet as at 30 September 2019 (continued)

Approved by the Board on 28 September 2020 and signed on its behalf by:



.....
Mr Ben Westran
Director

The notes on pages 9 to 21 form an integral part of these financial statements.

MPM Housing Limited

Statement of Changes in Equity for the Period from 1 April 2018 to 30 September 2019

	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)

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2017	-	682	682
Loss for the period	-	(139)	(139)
Total comprehensive income	-	(139)	(139)
Share based payment transactions	-	(16)	(16)
At 31 March 2018	-	527	527

The notes on pages 9 to 21 form an integral part of these financial statements.

MPM Housing Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019

1 General information

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 28 September 2020.

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 (£).

Impact of COVID-19

The uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis. The Directors completed an assessment as to the impact to the Company in the event of a significant deterioration in revenues and productivity. This most severe downside scenario is currently considered unlikely; however it is difficult to predict the overall outcome and impact of COVID-19 at this stage. The Directors believe that in this most severe downside scenario, there is a risk that the Company's funding requirement could exceed its existing committed debt facilities.

Only the specific downside scenario would indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Company was unable to continue as a going concern. On this basis, the Directors are satisfied that the Company has adequate resources to meet its obligations as they fall due and, for this reason, they continue to adopt the going concern basis in preparing the Company's 2019 financial statements.

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (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 2019. 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 7 Financial Instruments: Disclosures;
- d) The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- e) The requirements of IFRS 15 Revenue from Contracts with Customers;
- f) The requirements of IFRS 16 Leases;
- g) 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;
- h) The requirements of paragraph 10(d) and 134 to 136 of IAS 1 Presentation of Financial Statements;
- i) The requirements of IAS 7 Statement of Cash Flows;
- j) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- k) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- l) 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;
- m) 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.
- n) The requirements of paragraph 5(c) of the FRS 101 Reduced Disclosure Framework.

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current 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.

Deferred taxation is the tax expected to be repayable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred taxation liabilities are generally recognised on all taxable temporary differences in full with no discounting. Deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit.

Deferred taxation is calculated using the tax rates and laws that are expected to apply in the period when the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the balance sheet date. The carrying value of deferred taxation 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 against which taxable temporary differences can be utilised. Deferred tax is charged or credited to either the Profit and Loss Account, the Statement of Comprehensive Income or equity to the extent that it relates to items charged or credited. Deferred tax relating to items charged or credited directly to equity is also credited or charged to equity.

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
Plant and machinery	25% per annum, reducing balance
Motor vehicles	25% per annum, reducing balance
Fixtures and fittings	20% per annum, straight line
Equipment	25% per annum, reducing balance

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

2 Accounting policies (continued)

Intangible assets

In accordance with IFRS 3 (Revised) 'Business Combinations', an intangible asset acquired in a business combination is deemed to have a cost to the Company of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Company. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the Company are not reliably measurable. Where the individual fair values of the complementary assets are reliably measurable, the Company recognises them as a single asset provided the individual assets have similar useful lives. Intangible assets are amortised over the useful economic life of those assets.

Development costs incurred on software development are capitalised when all the following conditions are satisfied:

- completion of the software module is technically feasible so that it will be available for use;
- the Group intends to complete the development of the module and use it;
- the software will be used in generating probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use the software; and
- the expenditure attributable to the software during its development can be measured reliably.

Costs incurred making intellectual property available for use (including any associated borrowing costs) are capitalised when all of the following conditions are satisfied:

- completion of the data set is technically feasible so that it will be available for use;
- the Group intends to complete the preparation of the data and use it;
- the data will be used in generating probable future economic benefits;
- there are adequate technical, financial and other resources to complete the data set and to use it; and
- the expenditure attributable to the intellectual property during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred. Careful judgement by management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new software are continually monitored by management.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on software development.

Amortisation

Amortisation commences upon completion of the asset and is shown within other administrative expenses. Until the asset is available for use on completion of the project, the assets are subject to impairment testing only. Development expenditure is amortised over the period expected to benefit.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Software development expenditure	20% per annum, straight line

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables represent amounts due from customers in respect of invoices. They are initially measured at their transaction price and subsequently remeasured at amortised cost.

Retention assets represent amounts held by customers for a period following payment of invoices, to cover any potential defects in the work. Retention assets are included in trade receivables and are therefore initially measured at their transaction price.

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.

Defined contribution pension obligation

The Company operates a defined contribution pension scheme for employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions to an independent entity. The Company has no legal obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

The assets of the schemes are held separately from those of the Company in an independently administered fund.

Share based payments

An expense is recognised for all share based payment arrangements that were granted after 7 November 2002 in the financial statements.

The Company participates in equity-settled share based remuneration plans operated by its parent undertaking, Mears Group PLC, for its employees. All employee services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is determined at the date of grant and is not subsequently remeasured unless the conditions on which the award was granted are modified. The fair value at the date of the grant is calculated using the Black Scholes Option pricing model and the cost is recognised on a straight-line basis over the vesting period. Adjustments are made to reflect expected and actual forfeitures during the vesting period to satisfy service conditions. For SAYE plans, employees are required to contribute towards the plan. This non-vesting condition is taken into account in calculating the fair value of the option at the grant date.

Share based remuneration is recharged by the parent undertaking and recognised as an expense in the Profit and Loss Account.

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 Period from 1 April 2018 to 30 September 2019 (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.

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

2 Accounting policies (continued)

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.

Contingent consideration is initially recognised at fair value and is subsequently measured at fair value through the Profit and Loss Account.

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.

MPM Housing Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

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:

	2019 £ 000	2018 £ 000
Revenue from contracts with customers		
Management services	<u>6,276</u>	<u>8,774</u>

5 Operating profit

Arrived at after charging/(crediting)

	2019 £ 000	2018 £ 000
Depreciation on fixed assets	29	-
Amortisation expense	219	-
Share based payment	-	16
Loss on disposal of property, plant and equipment	<u>3,524</u>	<u>-</u>

6 Interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest income on bank deposits	<u>10</u>	<u>23</u>

7 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on bank overdrafts and borrowings	<u>2</u>	<u>-</u>

8 Staff costs

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

	2019 £ 000	2018 £ 000
Wages and salaries	3,158	3,437
Social security costs	665	420
Other pension costs	41	259
	<u>3,864</u>	<u>4,116</u>

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

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

8 Staff costs (continued)

	2019	2018
	No.	No.
Administration and support	<u>72</u>	<u>90</u>

9 Income tax

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

	2019	2018
	£ 000	£ 000
Current taxation		
UK corporation tax	(47)	(67)
Deferred taxation		
Arising from origination and reversal of temporary differences	-	(21)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>-</u>	<u>41</u>
<i>Total deferred taxation</i>	<u>-</u>	<u>20</u>
Tax receipt in the profit and loss account	<u>(47)</u>	<u>(47)</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019	2018
	£ 000	£ 000
Loss before tax	<u>(3,812)</u>	<u>(186)</u>
Corporation tax at standard rate	(724)	(35)
Decrease in current tax from adjustment for prior periods	-	(7)
Increase from effect of expenses not deductible in determining taxable profit	-	10
Decrease from effect of exercise employee share options	-	(18)
Increase arising from group relief tax reconciliation	677	-
Deferred tax expense relating to changes in tax rates or laws	<u>-</u>	<u>3</u>
Total tax credit	<u>(47)</u>	<u>(47)</u>

MPM Housing Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

10 Deferred tax

Deferred tax asset and liabilities

	Accelerated capital allowances £ 000	Share-based payments £ 000	Provisions £ 000	Total £ 000
As at 1 April 2017	151	9	3	163
Deferred tax charge in profit and loss account Recognised in Income	(30)	10	-	(20)
At 1 April 2018	121	19	3	143
Recognised in Income	-	-	-	-
At 30 September 2019	121	19	3	143

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

11 Tangible assets

	Land and buildings £ 000	Leasehold improvements £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Other property, plant and equipment £ 000	Total £ 000
Cost or valuation						
At 1 April 2018	230	146	158	43	43	620
Additions	25	-	-	-	-	25
Disposals	-	(52)	(201)	(43)	(43)	(339)
Transfers	-	(43)	43	-	-	-
At 30 September 2019	255	51	-	-	-	306
Depreciation						
At 1 April 2018	2	98	146	40	39	325
Charge for the period	9	14	3	-	3	29
Eliminated on disposal	-	(52)	(180)	(40)	(43)	(315)
At 30 September 2019	11	60	(31)	-	(1)	39
Carrying amount						
At 30 September 2019	244	(9)	31	-	1	267
At 31 March 2018	228	48	-	-	19	295

MPM Housing Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

12 Intangible assets

	Internally generated software development costs £ 000
Cost or valuation	
At 1 April 2018	5,743
Additions	205
Disposals	<u>(5,948)</u>
At 30 September 2019	<u>-</u>
Amortisation	
At 1 April 2018	2,229
Amortisation charge	219
Amortisation eliminated on disposals	<u>(2,448)</u>
At 30 September 2019	<u>-</u>
Carrying amount	
At 30 September 2019	<u>-</u>
At 31 March 2018	<u>3,514</u>

MPM Housing Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2018 to 30 September 2019 (continued)

13 Trade and other debtors

	30 September 2019 £ 000	31 March 2018 £ 000
Debtors from related parties	-	48
Prepayments	-	18
Other debtors	-	60
Deferred tax assets	143	143
	<u>143</u>	<u>269</u>
Less non-current portion	<u>(143)</u>	<u>(143)</u>
	<u>-</u>	<u>126</u>

Details of non-current trade and other debtors

£143,000 (2018: £143,000) of Deferred tax is classified as non current.

14 Trade and other creditors

	30 September 2019 £ 000	31 March 2018 £ 000
Trade creditors	-	261
Accrued expenses	981	1,251
Other creditors	-	77
	<u>981</u>	<u>1,589</u>

15 Loans and borrowings

	30 September 2019 £ 000	31 March 2018 £ 000
Current loans and borrowings		
Bank overdrafts	<u>706</u>	<u>-</u>

16 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 Period from 1 April 2018 to 30 September 2019 (continued)

17 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.

18 Share capital

Allotted, called up and fully paid shares

	30 September 2019		31 March 2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

19 Non adjusting events after the financial period

Since early 2020, the COVID-19 outbreak has increasingly impacted on businesses across the world. Whilst it is too early to determine the consequences of the outbreak on the company, the directors are confident that the company has put in place the correct measures to ensure the company's future.