P&R Installation Company Limited

Annual Report and Financial Statements

For the year ended 31 March 2021

Company Registration No. 03459190 (England and Wales)

P&R Installation Company Limited

Company Information

Directors	C J Lovett D M A Bullen L J Venables
Company number	03459190
Registered office	Brooklyn Lodge Mott Street London E4 7RW
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	HSBC PLC 133 Regent Street London W1B 4HX

P&R Installation Company Limited

Contents

The directors present the strategic report and financial statements for the year ended 31 March 2021.

Review of business and future developments
The business is currently transitioning all its operations to Purdy Contracts limited, another member of the Kinovo Plc Group. By the end of 2021 only one contact remained, which is expected to be transferred in the upcoming financial year. After this point it is expected that the company will be dormant.

Principal risks and uncertainties
The principal risk remains unchanged: unforeseen reductions in clients' budgets, which is a heightened risk in the current COVID-19 environment. The remaining customer within P&R is secured through a long-term framework agreement, and due to the regulatory nature of the work being performed, it is expected that the current level of activity will continue into the foreseeable future. This level is deemed appropriate to maintain viable operations up to the point it is transitioned into Purdy Contracts limited.

Financial key performance indicators
The company made an operating profit in the year of £17,777 (2021: loss £90,541) on revenues of £820,127 (2020: £3,423,354). Over the next 12 months the Company is expected to stop trading and will be dormant from the 2023 financial year onwards.

On behalf of the board

....
C J Lovett
Director
23 September 2021

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

In accordance with s414C(11) of the Companies Act 2006 the directors have chosen to include information about future developments and principal risks and uncertainties in the Strategic Report.

Principal activity

The principal activity of the company during the year was as a provider of general building and gas heating services.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid in the year (2020: £Nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C J Lovett
D M A Bullen
L J Venables

Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor
Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

C J Lovett
Director
23 September 2021

Opinion
We have audited the financial statements for P&R Installation Company Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 loss 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 directors' 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 directors with respect to going concern are described in the

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal

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 Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the relevant financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Matthew Meadows (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

Date................

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

P&R Installation Company Limited

Statement of Comprehensive Income

For the year ended 31 March 2021

	Notes	2021 £	2020 £
Revenue	3	820,127	3,423,354
Cost of sales		(539,577)	(2,463,005)
Gross profit		280,550	960,349
Administrative expenses		(262,773)	(1,050,890)
Operating profit/(loss)	4	17,777	(90,541)
Interest payable and similar charges	5	(17,918)	(19,881)
Loss before taxation		(141)	(110,422)
Tax on Loss	6	-	(15,759)
Loss after taxation		(141)	(126,181)
Other comprehensive income		-	-
Total comprehensive loss for the year		(141)	(126,181)

P&R Installation Company Limited

Statement Of Financial Position

As at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Deferred tax asset	12	-	237,670
Right-of-use asset	7	485,182	551,496
		485,182	789,166
Current assets			
Inventories	8	284,658	153,112
Trade and other receivables	9	137,077	1,008,748
Cash at bank and in hand		3,960	10,000
		425,695	1,171,860
Creditors: amounts falling due within one year	10	(7,538,285)	(8,529,360)
Lease liabilities	11	(60,202)	(59,172)
		(7,598,487)	(8,588,532)
Net current liabilites		(7,172,792)	(7,416,672)
Total assets less current liabilities		(6,687,610)	(6,627,506)
Lease liabilities	11	(440,707)	(500,670)
Net liabilites		(7,128,317)	(7,128,176)
Capital and reserves			
Called up share capital	13	1,000	1,000
Other reserves		216,997	216,997
Profit and loss account		(7,346,314)	(7,346,173)
Total equity		(7,128,317)	(7,128,176)

The financial statements were approved by the board of directors and authorised for issue on 23 September 2021 and are signed on its behalf by:

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C J Lovett
Director

Company Registration No. 03459190

P&R Installation Company Limited

Statement of Changes in Equity

For the year ended 31 March 2021

	Share capital £	Retained earnings £	Share based payment reserve £	Total £
Balance at 31 March 2020	1,000	(7,219,992)	199,030	(7,019,962)
Year ended 31 March 2020:				
Loss and total comprehensive income for the year	-	(126,181)	-	(126,181)
Capital contribution by parent in respect of share based payments	-	-	17,967	17,967
Balance at 31 March 2021	1,000	(7,346,173)	216,997	(7,128,176)
Year ended 31 March 2021:				
Loss and total comprehensive loss for the year	-	(141)	-	(141)
Balance at 31 March 2021	1,000	(7,346,314)	216,997	(7,128,317)

1 Accounting policies

Company information

P&R Installation Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brooklyn Lodge, Mott Street, London E4 7RW.

1.1 Accounting convention

The financial statements are denominated in sterling and have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Bilby Plc in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- 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 (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- 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
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

1.2 Going concern

The company has net liabilities of £7,128,317 including £7,393,068 due to group undertakings at 31 March 2021 (2020: £7,128,176). The loss for the year ending 31 March 2021 was £141 (2020: £126,181). The company has received written assurances of support from its parent undertaking and fellow subsidiary undertakings confirming that they will not demand repayment of the amounts due to them until the company has the ability to repay them without impacting on its cash flow. Furthermore they have provided written assurances that they will continue to support the company to enable it to meet its liabilities as they fall due for at least a year from the signing of these financial statements.

1 Accounting policies

The directors therefore have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors have considered the impact of the COVID-19 pandemic, and the measures taken to contain it, on the company and because of the nature of the company's activities they do not consider that there will be any significant effect on the ability of the company to continue in business and meet its liabilities as they fall due. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Revenue

Revenue is measured at fair value of the consideration received or receivable for the provision of the company's services. Revenue is recognised, net of value added tax, based upon the following:

Services are supplied under a term contract or framework agreement with both local authority and corporate customers that usually span three or more years. These services will be provided on request from the customer and have their own associated prices. Each service is considered to have a single performance obligation, and generally take less than a day to complete. Revenue is only recognised at the point that the service is complete. Invoicing only occurs once the customer has agreed that the relevant service has been received and completed. Any costs incurred in advance of the performance obligation being completed are recognised as work in progress. Any work completed but not yet agreed with the customer/invoiced is recognised as accrued income.

1.4 Operating loss and non-underlying items

Operating loss comprises the company's revenue for the provision of services, less the costs of providing those services and administrative overheads, including depreciation of the company's non-current assets.

Underlying operating profit/(loss) before the deduction of non-underlying items is one of the key measures used by the Board to monitor the company's performance. Non-underlying items are disclosed on the face of the Statement of Comprehensive Income where these are material and considered necessary to explain the underlying financial performance of the company. They are either one-off in nature, non-cash expenses or necessary elements of expenditure to derive future benefits for the company which have not been capitalised in the statement of financial position.

1.5 Dividends

The company has a policy of paying dividends to shareholders in accordance with the amount recommended by the Directors. If the Directors believe the dividends are justified by the profits of the company available for distribution, they also pay interim dividends. Dividends are recognised when they become legally payable. In the case of interim dividends, this is when dividends are paid. In the case of final dividends, this is when the dividends are approved by the shareholders at the Annual General Meeting.

1.6 Intangible assets other than goodwill

Software expenditure is capitalised as an intangible asset if the asset created can be identified, if it is probable that the asset created will generate future economic benefits and if the development cost of the asset can be measured reliably.

1 Accounting policies

Following initial recognition, the carrying amount of an intangible asset is its cost less any accumulated amortisation and any accumulated impairment losses. Amortisation expense is charged to administrative expenses in the statement of comprehensive income on a straight-line basis over its useful life. Software costs are being amortised over 4 years, on a straight line basis.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	4% straight line
Fixtures and fittings	25% reducing balance
Plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit or loss.

1.8 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

1 Accounting policies

1.9 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

1 Accounting policies

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.13 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.14 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

1 Accounting policies

1.19 Leases

A right-of-use asset and corresponding liability are recognised at the point of inception of a lease.

Assets and liabilities are initially measured on the present value of future committed payments. The lease payments are discounted using the incremental borrowing rate for the company. To determine the incremental borrowing rate, the company will use the cost of external third party borrowing as a reference point, adjusted for any changes within the market since the inception of the financing.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment and IT.

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Recoverability of trade receivables

Management put in place specific provisions where there is significant doubt over the recoverability of trade receivables. This is an area of both judgement and estimation as management have to assess if there is underlying conditions impacting recoverability, and to what extent the debt will be recoverable. Management are however comfortable with the position taken in the balance sheet due to the high credit ratings of the customers involved and low levels of historic issues with recoverability. The carrying value of trade receivables at 31 March 2021 is £14,239 (2020: £581,360).

Valuation of accrued income

Work completed under either a framework agreement or long term construction contract is recognised as accrued income until it has been billed to the client. The accrued income is estimated based on the relevant schedule of rates under each contract or by reference to the performance obligations achieved to date in regards long-term construction contracts. Although this requires both a level of judgement and estimate, management are comfortable that the methodology used reflects the amounts contractually due within the terms of the agreement, and historic trend shows that amounts recognised as accrued income are subsequently fully recoverable. The carrying value of accrued income at 31 March 2021 is £122,838 (2020: £178,761).

3 Revenue

An analysis of the company's revenue is as follows:

	2021	2020
	£	£
Gas maintenance	462	-
Building services	819,665	3,423,354
	820,127	3,423,354

All revenues in the current and prior year derive from continuing operations and are derived in the United Kingdom.

4 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging:		
Depreciation of property, plant and equipment	-	21,937
Depreciation of right to use asset	66,314	74,369
Loss on disposal of property, plant and equipment	-	174,737
Amortisation of intangible assets in administrative expenses	-	7,044
Cost of inventories recognised as an expense	260	1,253,490
Share-based payments	-	17,967

The audit and tax compliance fees are borne by the parent company.

5 Finance costs

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on lease liability	17,918	19,881
	17,918	19,881

6 Income tax expense

	2021	2020
	£	£
Current tax		
Current year taxation	-	-
Overprovisioning in prior period	-	-
	-	-
Deferred tax		
Origination and reversal of temporary differences	-	15,759
Total tax charge	-	15,759

6 Income tax expense (continued)

The overall tax charge for the year can be reconciled to the profit per the statement of comprehensive income as follows;

	2021	2020
	£	£
Loss before taxation	(141)	(110,422)
Expected tax charge based on a corporation tax rate of 19% (2019: 19%)	(27)	(20,980)
Expenses not deductible in determining taxable profit	27	36,851
Balancing charge	-	12,704
Depreciation	-	4,168
Amortisation	-	1,473
Losses used/carried forward	-	(18,457)
Tax charge for the year	-	15,759

7 Right of use asset

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2020	582,166	43,699	625,865
Additions	-	-	-
Disposals	-	(37,440)	(37,440)
At 31 March 2021	582,166	6,259	588,425
Accumulated depreciation and impairment			
At 1 April 2020	49,546	24,823	74,369
Charge for the year	49,541	16,773	66,314
Disposals	-	(37,440)	(37,440)
At 31 March 2021	99,087	4,156	103,243
Carrying amount			
At 31 March 2020	532,620	18,876	551,496
At 31 March 2021	483,079	2,103	485,182

8 Inventories

	2021	2020
	£	£
Work in progress	284,658	153,112
Finished goods	-	-
	284,658	153,112

9 Trade and other receivables

	2021	2020
	£	£
Trade receivables	14,239	581,360
Other receivables	-	145,070
Amounts due from fellow group undertakings	-	103,557
Prepayments and accrued income	122,838	178,761
	137,077	1,008,748

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Amounts due from fellow group undertakings are interest free, unsecured and repayable on demand.

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade payables	65,474	106,434
Amounts due to fellow group undertakings	7,393,068	8,334,179
Accruals and deferred income	1,235	3,470
Social security and other taxation	78,508	85,277
	7,538,285	8,529,360

Amounts due to fellow group undertakings are interest free, unsecured and repayable on demand.

The company has access to a group working capital facility. There is a debenture in place comprising fixed and floating charges over all the assets and undertakings of the company including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

11 Lease liabilities

As at the 31 March 2021 the following amounts are included in the balance sheet in relation to non-cancellable leases:

	2021	2020
	£	£
Lease Liabilities		
Current	60,202	59,172
Non Current	440,707	500,670
	500,909	559,842

The maturity analysis of obligations under non-cancellable leases is shown in the following table:

	2021	2020
	£	£
No later than 1 year	60,202	59,172
later than 1 year and no later than 5 years	213,645	187,256
After 5 years	227,062	313,414
	500,909	559,842

The interest expense recognised through the statement of comprehensive income and expense during the year in relation to lease liabilities was £17,572 (2020: £19,881).

Total cash outflow in the year for leases was £76,508. (2020: £85,904)

12 Deferred tax liability/asset

	2021	2020
	£	£
Deferred tax liability/asset at 1 April 2020	237,670	1,008,492
Tax losses surrendered for group relief	(237,670)	(770,822)
Deferred tax liability/asset at 31 March 2021	-	237,670

Tax losses surrendered for group relief have been charged to other group members at £1 for every £1 of losses utilised.

13 Share capital

	2021	2020
	£	£
Authorised, issued and fully paid shares of £1 each	1,000	1,000

14 Contingent liability

The company is party to a Composite Company Limited Multilateral Guarantee dated 22 May 2020 given by Kinovo Plc, P & R Installation Company Limited, R. Dunham (UK) Ltd, DCB (Kent) Limited and Purdy Contracts Limited.

15 Related party transactions

The company has taken advantage of the exemption available in FRS 101 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of that group.

16 Controlling party

The immediate and ultimate parent undertaking is Kinovo Plc. The consolidated financial statements of Kinovo Plc which is the smallest and largest group to consolidate these financial statements, can be obtained from Brooklyn Lodge, Mott Street, London E4 7RW.

There is no ultimate controlling party.