

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020



COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

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COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

Directors

S P Crummett
J C Morgan
A J Titmus (resigned 31 March 2021)
W A Erlam (resigned 16 October 2020)
R J Dixon (appointed 16 October 2020)

Company Secretary

C Sheridan

Registered Office

Kent House
14–17 Market Place
London
W1W 8AJ

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 December 2020

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2020. The financial statements have been prepared under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework.

The directors are entitled to take advantage of the small companies' exemption in not preparing a strategic report. This report has been prepared in accordance with the special provisions relating to small companies withing Part 15 of the Companies Act 2006.

Going concern

The Company is in a net liability position at the year end. It remains the intention of the parent company, Morgan Sindall Investments Limited, to provide ongoing financial support to the Company.

The directors have a reasonable expectation that the Company and the Group of which it is part have adequate resources to continue in operational existence for a minimum of 12 months from the date of signing the accounts. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the principal accounting policies in the financial statements.

Future developments

The Company will continue to provide outsourced managed services to joint ventures of the Morgan Sindall Group.

Directors

The directors who served during the year and to the date of this report are shown on page 1. None of the directors had any interest in the shares of the Company during the year ended 31 December 2020.

Directors' indemnities

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Furthermore, Morgan Sindall Group plc maintains liability insurance for its directors and officers and those of its directors and officers of its associated companies.

The Company has not made qualifying third party indemnity provisions for the benefit of its directors during the year.

Post balance sheet events

There have been no significant subsequent events which have impacted the results reported in these financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 Practice (United Kingdom Accounting Standards and applicable law) including FRS 101. 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

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

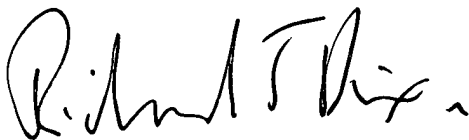
DIRECTORS' REPORT FOR THE YEAR ENDED 31 December 2020

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 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.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and, thus, have not prepared a strategic report.

For and on behalf of the Board



R Dixon
Director

23 August 2021

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Revenue	1	565	1,264
Cost of sales		(344)	(618)
Gross profit		221	646
Administrative expenses		(252)	3,891
Operating profit	2	(31)	4,537
Interest receivable	5	3	19
(Loss)/profit before tax		(28)	4,556
Tax	6	37	(909)
Total comprehensive (loss)/income for the financial year attributable to owners of the Company		9	3,647

Continuing operations

The results for the current and previous financial years derive from continuing operations.

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Current assets			
Trade and other receivables	7	169	1,970
Cash and bank balances		760	246
		929	2,216
Total assets		929	2,216
Current liabilities			
Trade and other payables	8	(923)	(1,597)
Provision for liabilities	9	(345)	-
Total current liabilities		(1,268)	(1,597)
Net current (liabilities)/assets		(339)	619
Non-current liabilities			
Trade and other payables	8	(130)	(197)
Total liabilities		(1,398)	(1,794)
Net (liabilities)/assets		(469)	422
Capital and reserves			
Share capital	11	-	-
Retained loss/earnings		(469)	422
Total shareholder's funds		(469)	422

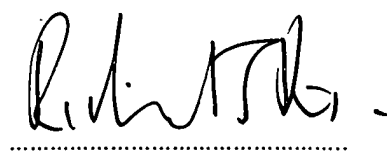
For the year ended 31 December 2020, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006. The liabilities of the Company are guaranteed by Morgan Sindall Investments Limited and the results of the Company are included in the audited consolidated financial statements of Morgan Sindall Investments Limited.

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
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements and directors' report have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Community Solutions Partnership Services Limited (company number 04727097) were approved by the Board and authorised for issue on 23 August 2021. They were signed on its behalf by:



R Dixon, Director

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2019	-	4,275	4,275
Total comprehensive income	-	3,647	3,647
Dividends paid		(7,500)	(7,500)
At 1 January 2020	-	422	422
Total comprehensive income	-	9	9
Dividends paid	-	(900)	(900)
At 31 December 2020	-	(469)	(469)

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

General information

Community Solutions Partnership Services Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the UK under the Companies Act 2006 and registered in England and Wales. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 2 to 3. The address of the registered office is given on page 1.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared its financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the consolidated accounts of Morgan Sindall Group plc, which are available to the public at www.morgansindall.com.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

These financial statements are presented in pounds sterling which is the Company's functional currency.

The immediate parent undertaking of the Company is Morgan Sindall Investments Limited, which is registered in England and Wales.

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall Group plc, which is registered in England and Wales. The results of the company are consolidated into the Morgan Sindall Group plc consolidated results as well as the Morgan Sindall Investments Limited consolidated results for the period. Copies of the consolidated financial statements of Morgan Sindall Group plc are publicly available from www.morgansindall.com or from its registered office Kent House, 14-17 Market Place, London W1W 8AJ.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the preparation of consolidated financial statements because it is included in the Group accounts of Morgan Sindall Group plc. These financial statements are separate financial statements and present information about the Company as an individual undertaking and not of the Group.

Going concern

The Company is in a net liability position at the year end. It remains the intention of the parent company, Morgan Sindall Investments Limited, to provide ongoing financial support to the Company.

The directors have a reasonable expectation that the Company and the Group of which it is part have adequate resources to continue in operational existence for a minimum of 12 months from the date of signing the accounts. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the principal accounting policies in the financial statements.

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

Revenue

Revenue is defined as the value of goods and services rendered excluding discounts and VAT and is recognised through an internal assessment of work carried out based on time incurred and materials utilised or percentage of completion depending upon the nature of the services.

Income tax

The income tax expense represents the current and deferred tax charges. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity. Current tax is the Group's expected tax liability on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Taxable profit differs from that reported in the statement of comprehensive income because it is adjusted for items of income or expense that are assessable or deductible in other years and is adjusted for items that are never assessable or deductible.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax bases used in tax computations. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profits, or differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is recognised on temporary differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the tax rates expected to apply when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted and are only offset where this is a legally enforceable right to offset current tax assets and liabilities.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements requires the Company's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. 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 Company did not have any critical judgements or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Analysis of revenue and profit on ordinary activities before taxation

The majority of revenue and profit on ordinary activities before taxation relates to the Company's principal activity of providing outsourced management services in the UK.

2. Operating profit

	2020 £000	2019 £000
Operating profit is stated after charging/(crediting):		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	-	15
Profit on sale of fixed asset	(23)	(4,360)

In the current year the audit fee was £nil (2019: £15,000).

3. Staff costs

	2020 £000	2019 £000
Wages and salaries	-	268
Social security costs	-	32
Pension costs	-	25
	-	325
	No.	No.
The average number of employees (including executive directors) during the year was:	-	7

4. Directors' remuneration

	2020 £000	2019 £000
Directors' remuneration		
Emoluments	-	44
Company contributions to money purchase pension scheme	-	2
	-	46
Remuneration of the highest paid director		
Emoluments	-	44
Company contributions to money purchase pension scheme	-	2
	No.	No.
The number of directors who:		
- were members of money purchase pension schemes	-	1

Four of the directors employed during 2020 received no emoluments (2019: 4) in their capacity as directors of this Company. These individuals are remunerated by another company in the Group.

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Net interest (payable)/receivable

	2020	2019
	£000	£000
Other interest receivable	3	19
Interest receivable	3	19

6. Tax

	2020	2019
	£000	£000
UK corporation tax credit/(charge) on profit for the year	14	(865)
Adjustment in respect of previous years	24	(21)
Total current tax credit/(expense)	38	(886)
<i>Origination and reversal of timing differences:</i>		
Current year	(1)	-
Prior year	-	(23)
Total deferred tax (note 10)	(1)	(23)
Total tax credit/(expense)	37	(909)

Corporation tax is calculated at 19% (2019: 19%) of the estimable taxable profit for the year. The actual tax charge for the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation.

	2020	2019
	£000	£000
Profit before tax	28	4,556
Tax on profit at corporation tax rate	(5)	(865)
<i>Factors affecting the charge for the year:</i>		
Expenses not deductible for tax purposes	-	-
Other	17	-
Adjustment to tax charge in respect of previous years	25	(44)
Total tax expense	37	(909)

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2020 continue to be measured at a rate of 19% (2019: 17%).

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Trade and other receivables

	2020	2019
	£000	£000
Amounts falling due within one year		
Trade debtors*	18	695
Amounts owed by Group undertakings	11	987
Amounts owed by related undertakings**	71	-
Deferred tax asset (note 10)	24	25
Other debtors	39	1
Prepayments and accrued income	6	262
	169	1,970

*Included within trade debtors for the current year is a provision against bad debts of £26,569.

** Included within amounts owed by related undertakings in the current year is a provision against bad debts of £53,496.

Amounts owed by the immediate parent and related undertakings are payable on demand and are not interest bearing.

8. Trade and other payables

	2020	2019
	£000	£000
Amounts falling due within one year		
Trade payables	14	11
Amounts owed to Group undertakings	8	2
Amounts owed to related undertakings	18	311
Social security and other taxes	790	919
Accruals and deferred income	93	354
	923	1,597
Amounts falling due after more than one year		
Accruals and deferred income	130	197
	130	197

Amounts owed to Group undertakings are payable on demand and are not interest bearing.

The amount falling due after more than one year is deferred income relating to the recovery of lease costs. These are being recognised over the lease term against the cost of the leases. See note 13.

9. Provision for liability

	2020	2019
	£000	£000
Balance at 1 January	-	-
Created during the year	345	-
Balance at 31 December	345	-

The provision relates to onerous leases on properties. These are expected to be utilised over the next 13 years.

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Deferred tax asset

	2020	2019
	£000	£000
Balance at 1 January	25	48
Profit and loss charge (note 6)	(1)	(23)
Balance at 31 December	24	25

11. Share capital

	2020	2019
	£000	£000
Allotted, called up and fully paid		
1 'A' Ordinary shares of £0.50	-	-
1 'B' Ordinary shares of £0.50	-	-

'A' and 'B' shares constitute different classes of shares but confer the same rights upon the holders thereof and rank pari passu in all respects.

On 7 July 2021 the 1 'A' Ordinary share of £0.50 each and the 1 'B' Ordinary share of £0.50 each were converted to 2 Ordinary shares of £0.50 each.

12. Lease liabilities

	Land & Buildings	Land & Buildings
	2020	2019
	£000	£000
Maturity analysis		
Within one year	122	96
Within two to five years	-	24
After more than five years	-	-
	122	120

The Company previously operated properties under a Management Services Agreement (MSA) held with a collection of Liftco projects, resulting in the Company entering into a lease with the landlord of the properties and sub-leases with the tenants. The MSA terminated on 1 April 2018 and the Company is in the process of completing the legal transfer of the leases to the new provider. Therefore, no right of use asset has been recognised relating to these leases.

13. Related party transactions

In the ordinary course of business, the Company has traded with its Group parent company Morgan Sindall Group plc together with its subsidiaries. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances with these entities are disclosed in notes 7 and 8 of these financial statements.

In the ordinary course of business, the Company has traded with its associated companies, all of whom are companies registered in England and Wales.

COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Company	Transaction amount 2020 £000	Transaction amount 2019 £000	Balance at 31 December 2020 £000	Balance at 31 December 2019 £000
HB Villages Developments Limited**	(8)	8	-	2
HB Villages Limited**	-	1	-	-
Hub West Scotland Limited	19	342	6	-
Hub West Scotland Limited	(29)	-	3	-
Hub West Scotland Project Company (No.1) Limited	-	50	-	-
Hub West Scotland Project Company (No.2) Limited	-	16	-	-
Hub West Scotland Project Company (No.3) Limited	-	38	-	-
Hub West Scotland Project Company (No.4) Limited	-	38	-	-
Hub West Scotland Project Company (No.5) Limited	-	54	-	-
Hub West Scotland Project Company (No.6) Limited	-	32	-	-
Hub West Scotland Project Company (No.7) Limited	-	37	-	-
Morgan-Vinci Limited	-	25	-	-
Health Innovation Partners (Burton) Limited	(4)	269	-	-
Health Innovation Partners (Oxleas) Limited	(15)	84	(18)	-
The Oxleas Property Partnership LLP	6	-	7	-
The Oxleas Property Partnership LLP	(7)	-	-	-
Wellspring Finance Company Limited	-	9	-	1
Wellspring Management Services Limited	44	2	53	2
Health Innovation Partners (Torbay & South Devon) Limited	111	98	55	55
Total	117	1,103*	103	60

*This number has been restated to exclude 100% held companies.

** These companies were sold on 24th December 2020.

14. Subsequent events

There have been no significant subsequent events which have impacted the results reported in these financial statements.