

MONSON HOMES LIMITED

Report and Financial Statements
for the year ended
31 March 2023

Company registration number 5880788



MONSON HOMES LIMITED
Year Ended 31 March 2023

REPORT AND FINANCIAL STATEMENTS

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MONSON HOMES LIMITED
Year Ended 31 March 2023

DIRECTORS AND ADVISERS

Board Members

Iain McPherson, Chair
Marianne Ismail
Phillipa Aitken

Executive Management Team

Robert Heapy, Chief Executive
Stuart Ilsley, Operations Director
Colin Lissenden, Development Director

Registered Office

Monson House
Monson Way
Tunbridge Wells
Kent TN1 1LQ

Auditors

External
KPMG LLP
20 Station Road
Cambridge
CB1 2JD

Internal
Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Bankers

Handelsbanken PLC
77 Mount Ephraim
Tunbridge Wells
Kent
TN4 8BS

Legal Status

Registered at Companies House. Company number 5880788

MONSON HOMES LIMITED

Year Ended 31 March 2023

REPORT OF THE BOARD

STRATEGIC REPORT

The Directors present the strategic report for Monson Homes Limited (Monson Homes) for the year ended 31 March 2023.

Principal activities

Monson Homes' principal activities are acting as an agent for the design, construction, development and regeneration of housing on behalf of its parent company, Town & Country Housing (TCH), and developing homes to be sold to its parent and for outright sale.

Business review

TCH merged with Peabody Trust on 9 May 2019 and will continue as an operating subsidiary of Peabody Group.

Monson Homes' turnover increased during the year, however there were no sales of higher margin private homes. Some completed homes were sold to the parent where buyers opted for a shared ownership property rather than an outright purchase.

During the year the company constructed 156 homes for TCH to rent and 150 homes for TCH to sell as shared ownership.

Activity for the forthcoming year is expected to be similar to 2023. There is uncertainty on whether the company will return to profitability in 2024 as the impact of the relatively high interest rate environment affects outright sales.

Key performance indicators (KPI's)

Monson Homes agrees annual key performance indicators with TCH, and these are monitored quarterly by the Board. The most significant KPI's are "completions" and "starts on site". Monson Homes met 74% of its completions target for the year, the shortfall was due to contractor delays from materials and labour shortages. Starts on site achieved 51% of the target, there was a pause in activity while the parent considered the impact of high inflation and a cap on its 2024 rent increase. Additionally, two large schemes were impacted by planning delays.

Risk

The Board acknowledges that it has overall responsibility for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. It can only provide reasonable, not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risk faced by Monson Homes is ongoing and has been in place throughout the period commencing 1 April 2022 up to the date of approval of the financial statements.

Monson Homes is integrated into the Group-wide approach to risk adopted by TCH Group and the wider Peabody Group. The risks faced by Monson Homes are considered in relation to both Monson Homes and their impact on TCH Group and Peabody Group.

The key risks identified by the Board affecting Monson Homes relate to high inflation and the impact on construction costs and potentially future sales activity. Additionally the operating environment is increasing the risk of contractor solvency.

Approved by the Board and signed on its behalf by:



Iain McPherson - Chair
18 September 2023

MONSON HOMES LIMITED

Year Ended 31 March 2023

DIRECTORS' REPORT

Directors

The Directors all served throughout the year. They are set out on page 1.

Dividends

The Directors do not recommend the payment of a dividend (2022: £Nil).

Results for the year

Monson Homes made a loss before tax of £386k (2022: profit of £755k) for the year ended 31 March 2023, on a turnover of £44.9m (2022: £35.2m). Administration costs were £538k higher than 2022 (mainly staff salary costs) to manage an increased sales activity. Some sales which were anticipated in the final months of the year were delayed into 2024. Additionally, some completed homes were sold to the parent where buyers opted for a shared ownership property rather than an outright purchase.

Monson Homes made a gift aid payment to its parent TCH of £283k during the year (2022: £1,918k).

Governance

Monson Homes is governed by a board whose members are also Directors of TCH and Peabody Trust (its ultimate parent undertaking). The Board consists of three persons and the present Board Members are set out on page 1.

Disclosure of information to auditors

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware, there was no relevant audit information of which Monson Homes' auditors were unaware; and
- the Director had taken all the steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that Monson Homes' auditors were aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Section 172 Statement

The Directors are aware of and acknowledge their responsibilities to promote the success of the Company in accordance with s172 of the Companies Act 2006. When fulfilling responsibilities in accordance with s172 the Directors have regard to what is in the best interests of the Company and what is in the best interests of the Group, including the matters set out in section 172(1)(a) to (f).

The Directors have engaged with regulatory bodies and supply chain partners as the key stakeholders of the Company when acting in a way they consider to be most likely to promote the success of the Company for the benefit of its sole member, TCH. The Directors manage the principal risks facing the Company by engaging with and fostering a successful business relationship with these key stakeholders. This engagement has affected decision making by:

Regulatory bodies - Engagement with Regulatory Bodies has guided decisions on the implementation of new building safety requirements, the maintenance of an effective Health and Safety environment, and other risks such as those with financial and reputational implications. Legal and regulatory compliance is viewed as a key enabler of trust with the Company's stakeholders and informs the decision-making process.

MONSON HOMES LIMITED
Year Ended 31 March 2023

DIRECTORS' REPORT

Supply chain partners - A successful business relationship has been fostered with supply chain partners and key decisions around the maintenance of the supply chain are driven by this engagement. A close relationship with counterparty and supply chain partners is central to mitigating counterparty and supply chain risk; and supporting the provision of on time quality and effective services.

The Directors consider the likely consequence of any decision in the long term in accordance with the Strategic objectives of the TCH Group and the Peabody Group and the Directors adopt the Peabody Group's approach to Environmental, Social and Governance matters.

By adopting the values and culture of the Peabody Group in the decision-making process the Directors are confident that the Company demonstrates positive engagement with stakeholders, a reputation for high standards of business conduct and its commitment to long term, sustainable success and accordingly Directors' compliance with s172.

Further information about how the Company as a wholly owned subsidiary of the TCH Group engages with partners and stakeholders can found in the Peabody Group Annual Report and Financial Statements, available online at the Peabody Group's website (www.peabody.org.uk).

AUDITORS

A recommendation to reappoint KPMG LLP as auditors will be proposed at the next Board meeting.

Approved by the Board and signed on its behalf by:



Iain McPherson Chair
18 September 2023

MONSON HOMES LIMITED
Year Ended 31 March 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

MONSON HOMES LIMITED
Year Ended 31 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONSON HOMES LIMITED

Opinion

We have audited the financial statements of Monson Homes Limited ("the Company") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income and Retained Earnings, Statement of Financial Position and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its losses for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the parent, Town and Country Housing's, high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

MONSON HOMES LIMITED
Year Ended 31 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONSON HOMES LIMITED

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the low degree of complexity and subjectivity in the Company's material revenue streams leading to minimal opportunity for revenue to be fraudulently manipulated. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to seldom-used general ledger accounts relating to revenue.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

MONSON HOMES LIMITED
Year Ended 31 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONSON HOMES LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Emma Larcombe

Emma Larcombe (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Station Road
Cambridge
CB1 2JD
19 September 2023

MONSON HOMES LIMITED**Year ended 31 March 2023****STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS**

	Note	2023 £'000	2022 £'000
TURNOVER	5	45,143	35,206
Cost of sales		(43,606)	(32,992)
GROSS PROFIT		1,537	2,214
Administration costs		(1,579)	(1,041)
OPERATING (LOSS)/PROFIT	6	(42)	1,173
Interest payable	7	(405)	(525)
Interest receivable	8	11	22
Profit on revaluation of investment properties		50	85
PROFIT (LOSS)/PROFIT BEFORE TAXATION		(386)	755
Taxation	11	188	175
TOTAL COMPREHENSIVE (EXPENDITURE)/INCOME FOR THE YEAR		(198)	930

STATEMENT OF CHANGES IN EQUITY		2023 £'000	2022 £'000
Retained earnings at the beginning of the year		758	1,746
Gift aid paid		(283)	(1,918)
(Loss)/Profit for the year		(198)	930
Retained earnings at the end of the year attributable to the owners		277	758

The notes on pages 11 to 15 form part of these financial statements.
All amounts relate to continuing activities.

MONSON HOMES LIMITED**Year ended 31 March 2023****STATEMENT OF FINANCIAL POSITION**

as at 31 March 2023

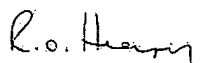
	Note	2023 £'000	2022 £'000
FIXED ASSETS			
Investment properties	15	810	760
CURRENT ASSETS			
Stocks and work in progress	12	24,653	22,338
Debtors	13	4,350	9,764
Cash at bank and in hand		1,460	2,226
		30,463	34,328
Creditors: amounts falling due within one year	14	(5,307)	(8,448)
NET CURRENT ASSETS		25,156	25,880
TOTAL ASSETS		25,966	26,640
Creditors: amounts falling due after one year	16	(689)	(883)
NET ASSETS		25,277	25,757
CAPITAL AND RESERVES			
Called-up share capital	18	25,000	25,000
Retained earnings	19	277	758
		25,277	25,758

The notes on pages 11 to 15 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board and signed on its behalf on 18 September 2023 by:



Iain McPherson
Chair



Robert Heapy
Company Secretary

Monson Homes Limited - company registration number 5880788

MONSON HOMES LIMITED

Year Ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS

1. Company registration

Monson Homes Limited is a company limited by shares, incorporated in England and Wales, and its registered office is at Monson House, Monson Way, Tunbridge Wells, Kent TN1 1LQ. It is a subsidiary of a public benefit entity. Note 20, (Related Parties and Controlling Party) provides further information.

Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006.

Monson Homes has adopted the following disclosure exemptions under FRS102:

- the requirement not to present a statement of cash flows and related notes
- the requirement to not disclose financial instruments including financial instrument categories, income, expenses, gains and losses and the exposure to and the management of financial risks.

Equivalent disclosures have been made in the consolidated financial statements presented alongside the parent company's (Town & Country Housing) own financial statements.

2. Going concern

The directors, after reviewing the Company's budgets for 2023/24 and the Group's medium term financial position as detailed in the 30-year business plan, are of the opinion that, taking account of severe but plausible downsides (housing market downturn or reduced work for Town & Country Housing), the Company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make judgements and estimates. The most significant are the anticipated costs to complete on a development scheme and the expected sales value of the properties upon completion. There is judgement involved in assessing the cost to complete based on the anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, management then determine the recoverable amount of the properties developed for outright sale and/or land held for sale. This judgement is based on third party valuations for the estimated sales values based on economic conditions within the area of development and is re-assessed on a regular basis.

4. Significant accounting policies

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of discounts, VAT and other sales related tax. The whole of Monson Homes' turnover is attributable to its activity as a building developer and contractor and is incurred solely in the United Kingdom.

Property sales

Properties are treated as sold and profits are recognised when sale contracts are completed. Profit on homes built for sale is recognised in proportion to the turnover achieved compared to the total estimated turnover for the scheme. The value of future sales is based on management estimates informed by independent valuations.

MONSON HOMES LIMITED
Year Ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Principal accounting policies – Turnover (continued)

Construction contracts

Turnover represents charges to Town & Country Housing in respect of the provision of design and build services and is recognised when the costs are incurred.

Interest

While the construction of stock is in progress, the interest attributable to the expenditure incurred on the asset is capitalised as part of the cost of the asset. The amount capitalised is derived from the weighted average cost of borrowing of Monson Homes, unless specific borrowings are taken out to finance the construction of the asset, in which case the rate applied is that of the specific borrowing.

Stock and work in progress

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell.

Value-added tax

Monson Homes makes taxable supplies and is able to recover the VAT it incurs on expenditure. The balance of VAT payable or recoverable at the year-end is included as a current asset or liability.

Financial Instruments

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other account receivables and payable, loans from group companies and other third parties and loans to group companies and other third parties.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible (within three months) into known amounts of cash and are subject to an insignificant risk of changes in value.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as Other Comprehensive Income or to an item recognised directly in equity is also recognised in Other Comprehensive Income or directly in equity respectively.

The current tax charge is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

MONSON HOMES LIMITED**Year ended 31 March 2023****NOTES TO THE FINANCIAL STATEMENTS (continued)****5. Turnover**

Monson Homes has determined its operating segments as:

Design, construction, sale of completed properties to its parent company

Residential house building

Sale of development land

2023 £'000	2022 £'000
44,897	32,374
-	2,753
246	78
45,143	35,205

All turnover is derived in the United Kingdom.

6. Operating profit

Operating profit is stated after charging:

Cost of stock recognised as an expense

Auditor's remuneration:

- for audit services
- for taxation services

2023 £'000	2022 £'000
43,405	32,821
14	13
-	-

7. Interest payable

Interest on loan from parent

Borrowing costs capitalised

2023 £'000	2022 £'000
657	600
(252)	(75)
405	525

8. Interest receivable

Interest on short-term loan to parent

Bank interest receivable

2023 £'000	2022 £'000
11	22
-	-
11	22

9. Employee information

Monson Homes staff are employed under a joint contract of employment with TCH. Staff salary costs are incurred by TCH and they are recharged to Monson under a service-level agreement.

10. Executive Directors' and Board Members' emoluments

Monson Homes Directors receive no remuneration for their role with Monson Homes.

MONSON HOMES LIMITED**Year ended 31 March 2023****NOTES TO THE FINANCIAL STATEMENTS (continued)****11. Taxation****(a) Tax on profit on ordinary activities**

The tax charge/(credit) comprises:

Current tax

UK corporation tax

Deferred tax, reversal of timing differences

Total tax on profit/(loss) on ordinary activities

(b) Factors affecting the tax charge for the period

Profit/(loss) on ordinary activities before tax

Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK 19% (2022: 19%)

Effects of:

Income not taxable for tax purposes

Anticipated gift aid payment

Other permanent differences

Adjustments to tax charge in respect of previous period

Adjustments to tax charge in respect of previous period - deferred tax

Movement in deferred tax not recognised

Remeasurement of deferred tax for changes in tax rates

Losses carried back

Effect of tax rate change on opening balance

Total tax (credit)/charge for the period

2023 £'000	2022 £'000
(188)	(364)
-	189
(188)	(175)
(386)	755
(73)	143
(9)	-
-	(143)
(53)	
(189)	(364)
-	(364)
83	0
(20)	-
73	74
-	115
(188)	(539)

12. Stock and work in progress

Completed properties

Properties under construction

2023 £'000	2022 £'000
-	-
24,653	22,338
24,653	22,338

Capitalised interest included in the above is £252k (2022: £75k).

13. Debtors

Amounts recoverable on contracts: owed by parent

Amount due from parent

VAT receivable

Corporation tax

2023 £'000	2022 £'000
4,088	4,833
114	4,000
58	931
90	-
4,350	9,764

14. Creditors: amounts due within one year

Trade creditors

Amount payable to parent

Accruals and deferred income

Retentions

Corporation tax

2023 £'000	2022 £'000
130	1,056
500	148
4,369	6,831
308	225
-	188
5,307	8,448

MONSON HOMES LIMITED**Year ended 31 March 2023****15. Investment properties**

	2023 £'000	2022 £'000
Value at 1 April	760	675
Converted from stock	-	-
Surplus/(deficit) on revaluation	50	85
Value at 31 March	810	760

Monson Homes market rent properties are fair valued annually at 31 March. The valuation is in accordance with the Appraisal and Valuation Manual of RICS using the Market Value Subject to Tenancy basis (MV-STT). The valuation was undertaken by the Group's professional external valuers, Savills. The valuation was £810k (2022: £760k).

16. Creditors: amounts due after more than one year

	2023 £'000	2022 £'000
Retentions	689	883

17. Long-term commitments

	2023 £'000	2022 £'000
Long-term expenditure commitments were as follows:		
Expenditure contracted for but not provided in the accounts	37,850	63,117
Expenditure authorised by the Board but not contracted	31,857	34,025
	69,707	97,142

These commitments will be financed through a combination of working capital, the loan from TCH and the inter-company framework development agreement with TCH, whereby TCH guarantees to pay Monson Homes any and all costs incurred in the delivery of build contracts that it has entered into on TCH's behalf.

18. Share capital

	2023 £	2022 £
Authorised share capital:		
25,000,000 ordinary shares at £1 each	25,000,000	25,000,000
Issued and fully paid:		
25,000,000 ordinary shares of £1 each	25,000,000	25,000,000

Each ordinary share of £1 is a voting share in the capital of the Company, is entitled to participate in the profits of the Company and on a winding-up is entitled to participate in the assets of the Company.

19. Reserves

Retained earnings relates to the cumulative retained earnings less amounts distributed to shareholders.

20. Related parties and controlling party

The immediate parent and controlling entity is Town & Country Housing, an entity incorporated in Great Britain. Copies of its financial statements can be obtained from the registered office: Monson House, Monson Way, Tunbridge Wells, Kent, TN1 1LQ.

The ultimate parent is Peabody Trust, an entity incorporated in Great Britain. Copies of its financial statements can be obtained from the registered office: 45 Westminster Bridge Road, London SE1 7JB

Monson Homes has taken advantage of the exemption provided by paragraph 33.1A of FRS102 not to disclose group related party transactions as it is wholly owned by its immediate parent company.

Key Management Personnel (the Executive Management Team) receive no compensation for their role with the Company.