NUPLACE LIMITED

Company Registration No. 09522014 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

NUPLACE LIMITED

COMPANY INFORMATION

Directors	Mrs K I Callis	
	Mrs K E Kynaston	(Appointed 5 June 2020)
	Mr J A Dunn	(Appointed 5 June 2020)
Company number	09522014	
Registered office	Legal Services Darby House Lawn Central Telford Shropshire TF4 4JA	
Auditor	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA	

NUPLACE LIMITED

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NUPLACE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Fair review of the business
Nuplace Limited was incorporated on 1 April 2015. Nuplace is a wholly owned subsidiary of Telford and Wrekin Council, limited by shares.

The principal activity of the company is the procurement of the construction and management of private and affordable residential property for rent. In addition, the company aims to:

- Raise the standard of rental provision, both in terms of the quality of the rental homes and the landlord service.
- Deliver added value and stimulate local economic growth through supply chain engagement, offering skills and employment opportunities and working with the community.
- Develop brownfield and stalled sites in order to deliver widespread regeneration benefits.

The company is financed by Telford and Wrekin Council, through a combination of equity in the form of share capital and debt finance in the form of a 30 year loan.

Development and performance
The year ended 31 March 2020 was the fifth year of operation of the company. During the year, the company completed the development of 39 units at Coppice Court, Snedshill, taking the number of properties completed and available to let at 31 March 2020 to 329, of which 42 are let at affordable rents. Building on the strength of lets at Coppice Court, construction work commenced on the development of a further 37 units at Rowan View, immediately adjacent to the Coppice Court site. In addition, work commenced on 54 units at Maple Fields, Dothill, with 19 of the units being developed to accessible and adaptable standards and ring-fenced for people who are over 55 or have a proven disability. These two sites are anticipated to be completed in Autumn 2020, bringing the Nuplace portfolio to 420 units.

Rental income for the year totalled £2.5m (£2.1m; 2018/19), and strong management of the portfolio enabled void levels to be contained at 2.17%, (2.42%; 2018/19). Rental increases across the portfolio were once again agreed in line with market forces. The level of reservations ahead of construction completion continues to be high.

In accordance with the company's accounting policy, the housing portfolio was revalued at the year end, which has resulted in an increase in value of 9.1% over seven sites.

The Directors acknowledge that ongoing asset maintenance will be required to the investment properties, however, a provision in the financial statements has not been possible due to accounting standards requirements. The cost of asset maintenance in the year increased to £68,000 (£30,000; 2018/19) which is included in the cost of sales in the financial statements. The Directors will ensure suitable reserves are held in order to meet asset maintenance obligations.

The company has reported an operating profit before interest and taxation for the year ended 31 March 2020 of £2,086,916, (2018/19: £1,729,425) which is in line with forecasts and expectations. The company capitalises interest on loan finance during the site's construction period, following which, interest is charged to the profit and loss account upon the site's practical completion. In line with this policy, the company has incurred interest charges on the year's profit of £1,517,707, (2018/19: £1,240,016). The company reported an operating profit after interest and taxation of £427,600 for the year, (2018/19: £363,753), which has been added to reserves.

Nuplace has been impacted by the COVID19 pandemic. Construction works were suspended in March 2020 for a period of approximately 6 weeks however the contractor has now remobilised and work is progressing. Nuplace is working with its tenants to continue to offer support where they may be difficulties in rent payments arising due to the impact of the pandemic.

Nuplace continues to expand its portfolio within current funding arrangements with a planning application for a further 46 units at a site at Southwater Way, Telford Town Centre, due to be submitted in early 2020/21, with works expected to commence in summer 2020/21.

On behalf of the board

K I Callis
....
Mrs K I Callis
Director
25.08.20

NUPLACE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of the procurement of the construction and management of private and affordable residential property for rent.

Directors

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

Mrs K I Callis	
Mr J Rowe	(Resigned 5 June 2020)
Mrs A J Astley	(Appointed 28 January 2020 and resigned 5 June 2020)
Mrs K E Kynaston	(Resigned 28 January 2020 and reappointed 5 June 2020)
Mr J A Dunn	(Appointed 5 June 2020)

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

The directors do not plan to distribute dividends while the company continues to construct property.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

Dyke Yaxley Ltd were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Disclosure in the Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information to be contained in the directors' report. It has done so in respect of review of business, principal risks and uncertainties and future developments.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

K.I. Callis

Mrs K I Callis
Director

Date: 25.08.20

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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 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;
- 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.

NUPLACE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NUPLACE LIMITED

Opinion

We have audited the financial statements of Nuplace Limited (the 'company') for the year ended 31 March 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 2020 and of its profit 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 requirements.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NUPLACE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NUPLACE LIMITED

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.

Dyke Yaxley Ltd

Digitally signed by Dyke Yaxley Ltd
DN: cn=Dyke Yaxley Ltd, o, ou, email=stacey.lea@dykeyaxley.co.uk, c=GB
Date: 2020.09.08 10:20:54 +01'00'

Stacey Lea (Senior Statutory Auditor)
for and on behalf of Dyke Yaxley Limited

8th September 2020

Chartered Accountants
Statutory Auditor

1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

NUPLACE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	2,543,302	2,148,911
Cost of sales		(309,337)	(231,275)
Gross profit		2,233,965	1,917,636
Administrative expenses		(181,650)	(194,241)
Other operating income		34,601	6,030
Operating profit	4	2,086,916	1,729,425
Interest receivable and similar income	8	4,488	2,614
Interest payable and similar expenses	9	(1,517,707)	(1,240,016)
Profit before taxation		573,697	492,023
Tax on profit	10	(146,097)	(128,270)
Profit for the financial year		427,600	363,753

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NUPLACE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Profit for the year	427,600	363,753
Other comprehensive income		
Revaluation of investment properties	4,245,908	854,993
Total comprehensive income for the year	4,673,508	1,218,746

NUPLACE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		5,338,346		4,934,233
Investment properties	12		50,832,900		41,227,856
			56,171,246		46,162,089
Current assets					
Debtors	13	10,693		7,146	
Cash at bank and in hand		370,470		812,124	
		381,163		819,270	
Creditors: amounts falling due within one year	14	(510,947)		(873,350)	
Net current liabilities			(129,784)		(54,080)
Total assets less current liabilities			56,041,462		46,108,009
Creditors: amounts falling due after more than one year	15		(32,670,125)		(29,090,379)
Provisions for liabilities	17		(209,169)		(195,359)
Deferred income	19		(974,725)		(1,008,336)
Net assets			22,187,443		15,813,935
Capital and reserves					
Called up share capital	20		13,300,000		11,600,000
Revaluation reserve			7,558,848		3,312,940
Profit and loss reserves			1,328,595		900,995
Total equity			22,187,443		15,813,935

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

K I Callis 25.08.20
....
Mrs K I Callis
Director

Company Registration No. 09522014

NUPLACE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 April 2018		8,950,000	2,457,947	537,242	11,945,189
Year ended 31 March 2019:					
Profit for the year		-	-	363,753	363,753
Other comprehensive income:					
Revaluation of investment properties		-	854,993	-	854,993
Total comprehensive income for the year		-	854,993	363,753	1,218,746
Issue of share capital	20	2,650,000	-	-	2,650,000
Balance at 31 March 2019		11,600,000	3,312,940	900,995	15,813,935
Year ended 31 March 2020:					
Profit for the year		-	-	427,600	427,600
Other comprehensive income:					
Revaluation of investment properties		-	4,245,908	-	4,245,908
Total comprehensive income for the year		-	4,245,908	427,600	4,673,508
Issue of share capital	20	1,700,000	-	-	1,700,000
Balance at 31 March 2020		13,300,000	7,558,848	1,328,595	22,187,443

1 Accounting policies

Company information

Nuplace Limited is a private company limited by shares incorporated in England and Wales. The registered office is Legal Services, Darby House, Lawn Central, Telford, Shropshire, TF4 4JA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company's parent undertaking, Telford and Wrekin Council, includes the company in its Consolidated Financial Statements. The consolidated financial statements of Telford and Wrekin Council are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public as may be obtained from Legal Services, Darby House, Lawn Central, Telford, TF3 4JA. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS102 in respect of the following disclosures; related party transactions, cash flow statement, key management personnel and financial instruments.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The company is funded by Telford and Wrekin Council which has confirmed financial support to fund the future activities of the company for the 30 year period of the loan. The day to day running of the company is supported by rental income, which is sufficient to meet liabilties as they fall due. Telford and Wrekin Council have reconfirmed their support during the COVID-19 pandemic.

1.3 Turnover

Turnover is the rent receivable in the year, for properties let to tenants.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost. Tangible fixed assets include assets under construction and capitalised interest. Land is considered to be an appreciating assets and is thus not depreciated. Interest incurred during the construction period of investment properties is added to the capital value of the property.

1.5 Investment properties

Investment property is recognised as such once the entire development has been completed and revalued at open market value annually. Investment properties are not depreciated as they are anticipated to appreciate in value. In line with FRS 102 guidance on revaluation of investment property gains/losses on revaluation are shown in the profit and loss account. Gains/losses on revaluation are recognised in other comprehensive income and accumulated in equity

1 Accounting policies (Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 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 profit and loss account 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Investment property is valued by MRICS Registered Valuers and is an estimate of market value at 31 March 2020. There are no other items within the accounts that require judgments or estimates.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Investment Property Rentals	2,543,302	2,148,911

	2020	2019
	£	£
Other operating income includes;		
Interest income	4,488	2,614
Grants received	33,611	-

4 Operating profit

	2020	2019
Operating profit for the year is stated after (crediting):	£	£
Government grants	(33,611)	-

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	9,000	13,200

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	-	-

7 Directors' remuneration

Directors of the company received no remuneration or benefit over the year 2020 - £nil (2019 - £nil).

The Directors are employees of the parent organisation.

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	4,488	2,614

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4,488	2,614

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,517,707	1,240,016

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	132,100	78,263
Adjustments in respect of prior periods	187	-
Total current tax	132,287	78,263
Deferred tax		
Origination and reversal of timing differences	13,810	50,007
Total tax charge	146,097	128,270

10 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	573,697	492,023
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	109,002	93,484
Tax effect of expenses that are not deductible in determining taxable profit	43,294	35,340
Tax effect of income not taxable in determining taxable profit	(6,386)	-
Tax effect of utilisation of tax losses not previously recognised	-	(14,686)
Adjustments in respect of prior years	187	-
Capitalised interest allowance	(13,810)	(35,875)
Deferred tax	13,810	50,007
Taxation charge for the year	146,097	128,270

11 Tangible fixed assets

	Land	Under construction	Total
	£	£	£
Cost			
At 1 April 2019	525,340	4,408,893	4,934,233
Additions	795,100	4,917,669	5,712,769
Transfer to investment property	(525,340)	(4,783,316)	(5,308,656)
At 31 March 2020	795,100	4,543,246	5,338,346
Depreciation and impairment			
At 1 April 2019 and 31 March 2020	-	-	-
Carrying amount			
At 31 March 2020	795,100	4,543,246	5,338,346
At 31 March 2019	525,340	4,408,893	4,934,233

Included in additions is capitalised interest of £85,510 (2019 £222,136) on the cost of construction. The total value of capitalised interest included within tangible fixed assets at the year end is £1,293,560 (2019 £1,208,050).

12 Investment property

	2020
	£
Fair value	
At 1 April 2019	41,227,856
Additions	50,480
Transfers from fixed assets under construction	5,308,656
Net gains or losses through fair value adjustments	4,245,908
At 31 March 2020	50,832,900

Nuplace Ltd's property assets were valued on 31 March 2020 by internal valuers, Dawn Toy MRICS and David Scrimgeour MRICS, both Registered Valuers of Telford & Wrekin Council.

The valuations were in accordance with the requirements of the RICS Valuation Standards (The Red Book), IVS 300, FRS102, the International Valuation Standards Council (IVSC), IVA1.
The valuation of each property was on the bases of Fair Value which equates to Market Value and assumes that they would be sold subject to the Special Assumptions listed below.

The valuer's opinion of Market Value was primarily derived using the comparables method as there was good evidence of previous sales on arm's-length terms.

Special Assumptions:

- There would be no bids from Special Purchasers.
- It is assumed that the interests being valued can be offered freely and openly in the market.
- There are no anticipated changes in the mode of occupation and no alterations and improvements to be carried out to the properties.

Lotting assumptions (in respect of Portfolio's & Groups of Properties):

- No account has been made where the ownership of a number of separate properties would be of particular advantage to someone as a single owner, because of economies that could result from either increased market share or savings in administration or distribution, such as with a block apartments, terraces of houses.
- The valuers have not been advised of any groups of properties that should not be valued together.
- The properties have been valued as individual dwellings, as requested, with the assumption that any sales would not flood the market.
- No account has been taken of other facilities related to a site, such as attenuation features, play areas.

13 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	6,140	3,955
Prepayments and accrued income	4,553	3,191
	10,693	7,146

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Trade creditors		80,470	554,894
Amounts owed to group undertakings		160,640	143,413
Corporation tax		132,099	78,263
Deferred income	19	15,150	18,973
Other creditors		80,000	40,000
Accruals		42,588	37,807
		510,947	873,350

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Other borrowings	16	32,559,478	28,999,982
Trade creditors		110,647	90,397
		32,670,125	29,090,379

16 Loans and overdrafts

	2020 £	2019 £
Loans from group undertakings	32,559,478	28,999,982
Payable after one year	32,559,478	28,999,982

The Intra Group Loan is governed by a Facility Agreement dated 11 June 2015, between the company and Telford and Wrekin Council. This loan is for an initial term of 30 years upon which interest is charged at 5.29% per annum. Security is given over the assets of the company via a fixed and floating charge registered at HM Land Registry and Companies House on 12 June 2015 and a supplemental floating charge registered on 26 November 2019.

17 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	18	209,169	195,359

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances:	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	209,169	195,359

Movements in the year:	2020 £
Liability at 1 April 2019	195,359
Charge to profit or loss	13,810
Liability at 31 March 2020	209,169

The deferred tax liability set out above and relates to accelerated capital allowances that are expected to mature within the same period.

19 Deferred income

	2020 £	2019 £
Arising from government grants	974,725	1,008,336
Other deferred income	15,150	18,973
	989,875	1,027,309
Deferred income is included in the financial statements as follows:		
Current liabilities	15,150	18,973
Shown as deferred income on the face of the balance sheet	974,725	1,008,336
	989,875	1,027,309

Deferred income comprises £974,725 (2019: £1,008,336) relating to a grant agreement between Nuplace Limited and Telford and Wrekin Council for the purpose of the construction of affordable rental units at Springfields, Newport.

The grant has been provided for the construction of 33 affordable housing units on a residential site at Sprinfields, Newport and is governed by a S106 agreement between Nuplace Limited and Telford and Wrekin Council as local planning authority, which requires the 33 units to be held as affordable during their lifetime.

20 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
13,300,000 (2019: 11,600,000) Ordinary Shares of £1 each	13,300,000	11,600,000

On 08 October 2019, 400,000 ordinary shares were issued at par. A further 1,300,000 ordinary shares were issued at par on 06 March 2020.

The ordinary shares have a right to vote, a right to participate in dividends and the right to participate in a distribution on a wind up.

21 Financial commitments, guarantees and contingent liabilities

A grant of £1,008,336 was received from Telford and Wrekin Council in 2017/18 for the construction of 33 affordable units for rent at Springfields, Newport. The terms of this require Nuplace to hold the units as affordable, subject to repayment should the units cease to be held as such.

22 Capital commitments

At 31 March 2020 the company entered into a number of contracts for the construction of fixed assets in 2019/20 and future years estimated to cost £8,141,185 (2019: £510,417).

23 Related party transactions

The company has entered a loan agreement for a secured loan facility of up to £40,000,000 with Telford and Wrekin Council. At the year end the company had drawn down £32,559,478 (2019: £28,999,982). Interest of £1,603,217 (2019: £1,462,152) had been charged by Telford and Wrekin Council. The loan is an interest only loan repayable at the end of a 30 year term.

The company purchased £435,360 (2019: £388,662) of services from Telford and Wrekin Council.

The company purchased land of £795,100 (2019: £Nil) from Telford and Wrekin Council.

The total amount due to Telford and Wrekin at the balance sheet date is £32,720,118 (2019: £29,143,395).

24 Ultimate controlling party

The ultimate controlling party and parent is Telford and Wrekin Council (registered office: Legal Services Darby House, Lawn Central, Telford, TF3 4JA) by virtue of it's 100% shareholding.

25 Auditor's liability limitation agreement

In accordance with Companies Act 2006 (s538), we are required to disclose any auditor liability limitation agreements in effect.

A resolution was passed dated 30 April 2020 which limits the liability of the auditor to £5m for any loss or damage suffered by Nuplace Limited arising out of or in connection with the provision of services provided by the auditor including negligence but not wilful default.

NUPLACE LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		Year ended 31 March 2020		Year ended 31 March 2019
	£	£	£	£
Turnover				
Sales		2,543,302		2,148,911
Cost of sales				
Direct costs	309,337		231,275	
		(309,337)		(231,275)
Gross profit	87.84%	2,233,965	89.24%	1,917,636
Other operating income				
Government grants receivable and released	33,611		-	
Sundry income	990		6,030	
		34,601		6,030
Administrative expenses		(181,650)		(194,241)
Operating profit		2,086,916		1,729,425
Interest receivable and similar income				
Bank interest received	4,488		2,614	
		4,488		2,614
Interest payable and similar expenses				
Bank interest on loans and overdrafts		(1,517,707)		(1,240,016)
Profit before taxation	22.56%	573,697	22.90%	492,023

NUPLACE LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2020

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Administrative expenses		
Insurances	35,415	31,775
Professional subscriptions	350	850
Legal and professional fees	200	-
Accountancy	135,649	147,496
Audit fees	9,000	13,200
Bank charges	1,036	920
	181,650	194,241