

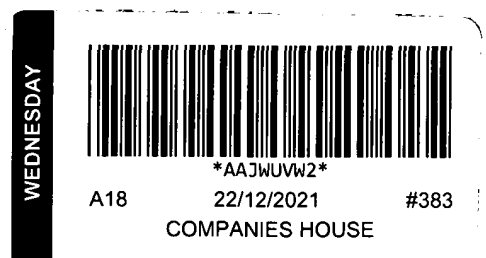
Registration number: 07857990

HBB Relocation Services Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2021

ADS Accountancy Limited
7 Faraday Court
First Avenue
Centrum 100
Burton Upon Trent
Staffordshire
DE14 2WX



HBB Relocation Services Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 9
Consolidated Profit and Loss Account	10
Consolidated Statement of Comprehensive Income	11
Consolidated Balance Sheet	12
Balance Sheet	13
Consolidated Statement of Changes in Equity	14 to 15
Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Statement of Cash Flows	18
Notes to the Financial Statements	19 to 27

HBB Relocation Services Limited

Company Information

Directors	C J Hodgkinson N J Woodman M D Elliot S C Blunt
Registered office	1 The Cornerstone Market Place Kegworth Derbyshire DE74 2EE
Auditors	ADS Accountancy Limited 7 Faraday Court First Avenue Centrum 100 Burton Upon Trent Staffordshire DE14 2WX

HBB Relocation Services Limited

Strategic Report for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

Introduction

The principal activity of the company is trading in residential property across England, Wales and Scotland. The company purchases property which is available below current market value due to the vendor choosing certainty and/or speed of transaction ahead of achieving the highest potential price. The company strives to provide the best service possible to vendors and maintains strict ethical practices.

Fair review of the business

The directors are satisfied with the group's performance during 2020/21, and relieved to have traded profitably for the full year, despite a first half that was significantly disrupted by the Covid-19 pandemic. In the early stages of the crisis the business stopped buying, urgently sold down stock and put the majority of staff on furlough, with the core retained team working completely remotely. Post lock-down the business resumed purchasing with stock gradually increasing to end the year at £14m, £11m lower than 2020.

Turnover

Group turnover for 2021 of £44.4m is down 58% from 2020, reflecting our withdrawal from the market for the first half of the year due to Covid-19 disruption.

Pre-tax profits

Profit before tax at £0.8m is 55% lower than the previous year, reflecting both lower volumes and losses arising on some units sold quickly at the start of the Covid-19 crisis.

We end the year with operational capacity, volumes and margins largely recovered to pre-pandemic levels and expect to report a significant increase in profit in 2022.

Financial key performance indicators

The key indicators are gross margin, 6.1% (2020: 5.6%) and stock days, 157 (2020: 114). Margins improved through a higher proportion of core versus lower margin part-exchange units. Stock days increased due to carrying some stock for an extended period through the Covid-19 lockdown.

The group's key financial and other performance indicators during the year were as follows:

The company's key financial and other performance indicators during the year were as follows:

Other key performance indicators

Key indicators include the number of property purchases 164, down from 398 in 2020, and property sales, which decreased to 218 from 404 the previous year; these volume reductions were entirely Covid-19 related and largely confined to the first half of the year.

HBB Relocation Services Limited

Strategic Report for the Year Ended 31 March 2021

Principal risks and uncertainties

The principal risks and uncertainties are largely external factors and in particular the state of the UK housing market and wider political environment. These markets are in turn responsive to interest rate changes. Part of our business is dependent upon a small number of introducers; the business continues to increase the number of these partners in order to reduce the risk to volumes from the loss of any single partnership.

Now a fully virtual team, whilst our own operational capacity would not be impacted in the event of a further Covid-19 lockdown, some third party service providers, for example physical surveying, would be impacted.

Approved by the Board on 13 December 2021 and signed on its behalf by:



N J Woodman
Director

HBB Relocation Services Limited

Directors' Report for the Year Ended 31 March 2021

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

Directors of the group

The directors who held office during the year were as follows:

C J Hodgkinson

N J Woodman (appointed 5 March 2021)

M D Elliot

S C Blunt

Financial instruments

Objectives and policies

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

HBB Relocation Services Limited

Directors' Report for the Year Ended 31 March 2021

Approved by the Board on 13 December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Nicola Woodman', written over a dotted line.

N J Woodman
Director

HBB Relocation Services Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

HBB Relocation Services Limited

Independent Auditor's Report to the Members of HBB Relocation Services Limited

Opinion

We have audited the financial statements of HBB Relocation Services Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and the parent company's affairs as at 31 March 2021 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

HBB Relocation Services Limited

Independent Auditor's Report to the Members of HBB Relocation Services Limited

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], 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 group's and the parent 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 group or the parent 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.

HBB Relocation Services Limited

Independent Auditor's Report to the Members of HBB Relocation Services 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.



A Dominey FCCA (Senior Statutory Auditor)
For and on behalf of ADS Accountancy Limited, Statutory Auditor

7 Faraday Court
First Avenue
Centrum 100
Burton Upon Trent
Staffordshire
DE14 2WX

13 December 2021

HBB Relocation Services Limited

Consolidated Profit and Loss Account for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	44,402,669	105,437,605
Cost of sales		<u>(41,676,214)</u>	<u>(99,549,780)</u>
Gross profit		2,726,455	5,887,825
Administrative expenses		<u>(1,708,022)</u>	<u>(3,023,577)</u>
Operating profit		<u>1,018,433</u>	<u>2,864,248</u>
Other interest receivable and similar income	4	301	550
Interest payable and similar expenses	5	<u>(215,049)</u>	<u>(1,092,855)</u>
		<u>(214,748)</u>	<u>(1,092,305)</u>
Profit before tax		803,685	1,771,943
Tax on profit	9	<u>(153,339)</u>	<u>(340,904)</u>
Profit for the financial year		<u>650,346</u>	<u>1,431,039</u>
Profit/(loss) attributable to:			
Owners of the company		<u>650,346</u>	<u>1,431,039</u>

The above results were derived from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 19 to 27 form an integral part of these financial statements.

HBB Relocation Services Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2021

	2021 £	2020 £
Profit for the year	<u>650,346</u>	<u>1,431,039</u>
Total comprehensive income for the year	<u>650,346</u>	<u>1,431,039</u>
Total comprehensive income attributable to:		
Owners of the company	<u>650,346</u>	<u>1,431,039</u>

The notes on pages 19 to 27 form an integral part of these financial statements.

HBB Relocation Services Limited

(Registration number: 07857990)

Consolidated Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Current assets			
Stocks	11	13,895,952	25,069,991
Debtors	12	566,192	597,692
Cash at bank and in hand		280,941	822,396
		<u>14,743,085</u>	<u>26,490,079</u>
Creditors: Amounts falling due within one year	14	<u>(4,475,103)</u>	<u>(12,418,293)</u>
Total assets less current liabilities		10,267,982	14,071,786
Creditors: Amounts falling due after more than one year	14	<u>(7,000,008)</u>	<u>(10,986,969)</u>
Net assets		<u>3,267,974</u>	<u>3,084,817</u>
Capital and reserves			
Called up share capital	15	1,122	1,163
Share premium reserve		2,006,489	2,011,448
Capital redemption reserve		4,973	14
Profit and loss account		<u>1,255,390</u>	<u>1,072,192</u>
Equity attributable to owners of the company		<u>3,267,974</u>	<u>3,084,817</u>
Shareholders' funds		<u>3,267,974</u>	<u>3,084,817</u>

Approved and authorised by the Board on 13 December 2021 and signed on its behalf by:

Nicola Woodman

N J Woodman
Director

HBB Relocation Services Limited

(Registration number: 07857990)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	10	7	7
Current assets			
Stocks	11	13,895,952	23,971,875
Debtors	12	566,085	595,987
Cash at bank and in hand		81,150	686,691
		<u>14,543,187</u>	<u>25,254,553</u>
Creditors: Amounts falling due within one year	14	<u>(4,473,612)</u>	<u>(12,345,977)</u>
Net current assets		<u>10,069,575</u>	<u>12,908,576</u>
Total assets less current liabilities		10,069,582	12,908,583
Creditors: Amounts falling due after more than one year	14	<u>(7,000,008)</u>	<u>(10,018,376)</u>
Net assets		<u>3,069,574</u>	<u>2,890,207</u>
Capital and reserves			
Called up share capital	15	1,122	1,163
Share premium reserve		2,006,489	2,011,448
Capital redemption reserve		4,973	14
Profit and loss account		<u>1,056,990</u>	<u>877,582</u>
Shareholders' funds		<u>3,069,574</u>	<u>2,890,207</u>

Approved and authorised by the Board on 13 December 2021 and signed on its behalf by:



N J Woodman
Director

HBB Relocation Services Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2021 Equity attributable to the parent company

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020	1,163	2,011,448	14	1,072,192	3,084,817
Profit for the year	-	-	-	650,346	650,346
Total comprehensive income	-	-	-	650,346	650,346
Dividends	-	-	-	(462,189)	(462,189)
Purchase of own share capital	(41)	-	-	(4,959)	(5,000)
Other share premium reserve movements	-	(4,959)	-	-	(4,959)
Other capital redemption reserve movements	-	-	4,959	-	4,959
At 31 March 2021	<u>1,122</u>	<u>2,006,489</u>	<u>4,973</u>	<u>1,255,390</u>	<u>3,267,974</u>
					Total equity £
At 1 April 2020					3,084,817
Profit for the year					650,346
Total comprehensive income					650,346
Dividends					(462,189)
Purchase of own share capital					(5,000)
Other share premium reserve movements					(4,959)
Other capital redemption reserve movements					4,959
At 31 March 2021					<u>3,267,974</u>
	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2019	1,163	2,011,448	14	463,714	2,476,339
Profit for the year	-	-	-	1,431,039	1,431,039
Total comprehensive income	-	-	-	1,431,039	1,431,039
Dividends	-	-	-	(822,561)	(822,561)
At 31 March 2020	<u>1,163</u>	<u>2,011,448</u>	<u>14</u>	<u>1,072,192</u>	<u>3,084,817</u>

The notes on pages 19 to 27 form an integral part of these financial statements.

HBB Relocation Services Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2021
Equity attributable to the parent company

	Total equity £
At 1 April 2019	2,476,339
Profit for the year	<u>1,431,039</u>
Total comprehensive income	1,431,039
Dividends	<u>(822,561)</u>
At 31 March 2020	<u><u>3,084,817</u></u>

HBB Relocation Services Limited

Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020	1,163	2,011,448	14	877,582	2,890,207
Profit for the year	-	-	-	646,556	646,556
Total comprehensive income	-	-	-	646,556	646,556
Dividends	-	-	-	(462,189)	(462,189)
Purchase of own share capital	(41)	-	-	(4,959)	(5,000)
Other share premium reserve movements	-	(4,959)	-	-	(4,959)
Other capital redemption reserve movements	-	-	4,959	-	4,959
At 31 March 2021	1,122	2,006,489	4,973	1,056,990	3,069,574
	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2019	1,163	2,011,448	14	328,378	2,341,003
Profit for the year	-	-	-	1,371,765	1,371,765
Total comprehensive income	-	-	-	1,371,765	1,371,765
Dividends	-	-	-	(822,561)	(822,561)
At 31 March 2020	1,163	2,011,448	14	877,582	2,890,207

The notes on pages 19 to 27 form an integral part of these financial statements.

HBB Relocation Services Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		650,346	1,431,039
Adjustments to cash flows from non-cash items			
Finance income	4	(301)	(550)
Finance costs	5	215,049	1,092,855
Income tax expense	9	153,339	340,904
		<u>1,018,433</u>	<u>2,864,248</u>
Working capital adjustments			
Decrease in stocks	11	11,174,039	8,084,899
Decrease in trade debtors	12	31,500	144,344
(Decrease)/increase in trade creditors	14	(3,790,817)	968,591
Cash generated from operations		8,433,155	12,062,082
Income taxes paid	9	(230,488)	(413,604)
Net cash flow from operating activities		<u>8,202,667</u>	<u>11,648,478</u>
Cash flows from investing activities			
Interest received		301	550
Cash flows from financing activities			
Interest paid	5	(215,049)	(1,092,855)
Payments for purchase of own shares		(5,000)	-
Dividends paid		(462,189)	(822,561)
Net cash flows from financing activities		<u>(682,238)</u>	<u>(1,915,416)</u>
Net increase in cash and cash equivalents		7,520,730	9,733,612
Cash and cash equivalents at 1 April		<u>(11,239,809)</u>	<u>(20,973,421)</u>
Cash and cash equivalents at 31 March		<u>(3,719,079)</u>	<u>(11,239,809)</u>

The notes on pages 19 to 27 form an integral part of these financial statements.

HBB Relocation Services Limited

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		646,556	1,371,765
Adjustments to cash flows from non-cash items			
Finance income		(301)	(550)
Finance costs		195,314	950,233
Income tax expense	9	<u>151,907</u>	<u>326,993</u>
		993,476	2,648,441
Working capital adjustments			
Decrease in stocks	11	10,075,923	9,183,015
Decrease in trade debtors	12	29,902	145,110
Decrease in trade creditors	14	<u>(2,763,921)</u>	<u>(58,305)</u>
Cash generated from operations		8,335,380	11,918,261
Income taxes paid	9	<u>(216,534)</u>	<u>(405,387)</u>
Net cash flow from operating activities		<u>8,118,846</u>	<u>11,512,874</u>
Cash flows from investing activities			
Interest received		301	550
Cash flows from financing activities			
Interest paid		(195,314)	(950,233)
Payments for purchase of own shares		(5,000)	-
Dividends paid		<u>(462,189)</u>	<u>(822,561)</u>
Net cash flows from financing activities		<u>(662,503)</u>	<u>(1,772,794)</u>
Net increase in cash and cash equivalents		7,456,644	9,740,630
Cash and cash equivalents at 1 April		<u>(11,375,514)</u>	<u>(21,116,144)</u>
Cash and cash equivalents at 31 March		<u><u>(3,918,870)</u></u>	<u><u>(11,375,514)</u></u>

The notes on pages 19 to 27 form an integral part of these financial statements.

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

1 The Cornerstone
Market Place
Kegworth
Derbyshire
DE74 2EE
United Kingdom

These financial statements were authorised for issue by the Board on 13 December 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

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

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	<u>44,402,669</u>	<u>105,437,605</u>

4 Other interest receivable and similar income

	2021	2020
	£	£
Other finance income	<u>301</u>	<u>550</u>

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

5 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	195,314	924,699
Interest expense on other finance liabilities	19,735	168,156
	<u>215,049</u>	<u>1,092,855</u>

6 Staff costs

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

	2021 £	2020 £
Wages and salaries	777,412	921,105
Social security costs	87,967	89,591
Other employee expense	3,340	2,065
	<u>868,719</u>	<u>1,012,761</u>

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

	2021 No.	2020 No.
Administration and support	<u>18</u>	<u>21</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	<u>121,970</u>	<u>90,000</u>

8 Auditors' remuneration

	2021 £	2020 £
Audit of these financial statements	<u>8,250</u>	<u>8,250</u>

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	153,339	339,727
UK corporation tax adjustment to prior periods	-	1,177
	<u>153,339</u>	<u>340,904</u>

10 Investments

Company

	2021 £	2020 £
Investments in subsidiaries	<u>7</u>	<u>7</u>

Subsidiaries

Cost or valuation

At 1 April 2020	<u>7</u>
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Provision

Carrying amount

At 31 March 2021	<u>7</u>
At 31 March 2020	<u>7</u>

11 Stocks

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Other inventories	<u>13,895,952</u>	<u>25,069,991</u>	<u>13,895,952</u>	<u>23,971,875</u>
Group				
Company				

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

12 Debtors

	Note	Group		Company	
		2021 £	2020 £	2021 £	2020 £
Trade debtors		68,514	1,452	68,514	1,452
Amounts owed by related parties	18	12,296	65,046	12,296	65,046
Other debtors		98,051	138,034	97,944	136,329
Prepayments		<u>387,331</u>	<u>393,160</u>	<u>387,331</u>	<u>393,160</u>
		<u>566,192</u>	<u>597,692</u>	<u>566,085</u>	<u>595,987</u>

13 Cash and cash equivalents

	Note	Group		Company	
		2021 £	2020 £	2021 £	2020 £
Cash at bank		280,941	822,396	81,150	686,691
Bank overdrafts		<u>(4,000,020)</u>	<u>(12,062,205)</u>	<u>(4,000,020)</u>	<u>(12,062,205)</u>
Cash and cash equivalents in statement of cash flows		<u>(3,719,079)</u>	<u>(11,239,809)</u>	<u>(3,918,870)</u>	<u>(11,375,514)</u>

14 Creditors

	Note	Group		Company	
		2021 £	2020 £	2021 £	2020 £
Due within one year					
Loans and borrowings	16	4,000,020	12,062,205	4,000,020	12,062,205
Trade creditors		14,975	-	14,975	-
Amounts due to related parties	18	-	57,005	-	-
Social security and other taxes		-	43,339	-	43,339
Other payables		179,116	352	179,057	293
Accruals		127,653	24,904	127,653	23,606
Income tax liability	9	<u>153,339</u>	<u>230,488</u>	<u>151,907</u>	<u>216,534</u>
		<u>4,475,103</u>	<u>12,418,293</u>	<u>4,473,612</u>	<u>12,345,977</u>
Due after one year					
Other non-current financial liabilities		<u>7,000,008</u>	<u>10,986,969</u>	<u>7,000,008</u>	<u>10,018,376</u>

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

15 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary A of £0.01 each	46,500	465.00	46,500	465.00
Ordinary B of £0.01 each	1,000	10.00	1,000	10.00
Ordinary C of £0.01 each	40,693	406.93	40,693	406.93
Ordinary D of £0.01 each	18,854	188.54	18,854	188.54
Ordinary E of £0.01 each	5,073	50.73	5,073	50.73
Ordinary I of £0.01 each	-	-	4,100	41.00
	<u>112,120</u>	<u>1,121</u>	<u>116,220</u>	<u>1,162</u>

16 Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current loans and borrowings				
Bank overdrafts	<u>4,000,020</u>	<u>12,062,205</u>	<u>4,000,020</u>	<u>12,062,205</u>

17 Dividends

	2021	2020
	£	£
Interim dividend of £462,189 (2020 - £822,561) per ordinary share	<u>462,189</u>	<u>822,561</u>

HBB Relocation Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

18 Related party transactions

Company

Summary of transactions with other related parties

As at the 31st March 2021 there was an amount of £1,539,658 (2020: £2,203,551) due to HBB Homes Limited, a company in which S Blunt has an interest. During the year interest was charged on the loan of £Nil (2020: £Nil).

As at the 31st March 2021 there was an amount of £4,255,109 (2020: £6,089,889) due to Middleton Enterprises Limited, a company in which J Middleton has an interest. During the year interest was charged on the loan of £Nil (2020: £17,643).

As at the 31st March 2021 there was an amount of £1,205,241 (2020: £1,724,744) due to D Murray. During the year interest was charged on the loan of £Nil (2020: £7,890).