

Company Registration No. 10847965 (England and Wales)

HFL BUILD LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

HFL BUILD LIMITED

CONTENTS

	Page
Statement of financial position	1
Notes to the financial statements	2 - 6

HFL BUILD LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Non-current assets					
Intangible assets	5		27,850		-
Current assets					
Inventories		1,143,382		-	
Trade and other receivables	6	1,455,940		30,560	
Cash and cash equivalents		484,972		16,223	
		<u>3,084,294</u>		<u>46,783</u>	
Current liabilities	7	<u>(1,962,007)</u>		<u>(158,009)</u>	
Net current assets/(liabilities)			1,122,287		(111,226)
Total assets less current liabilities			<u>1,150,137</u>		<u>(111,226)</u>
Non-current liabilities	8		(1,409,264)		-
Net liabilities			<u>(259,127)</u>		<u>(111,226)</u>
Equity					
Called up share capital	9		10		10
Retained earnings			(259,137)		(111,236)
Total equity			<u>(259,127)</u>		<u>(111,226)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 21 September 2020 and are signed on its behalf by:

G Carson
Director

Company Registration No. 10847965

HFL BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

HFL Build Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lambeth Town Hall, Brixton Hill, London, SW2 1RW.

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 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Going concern

The company is a wholly owned subsidiary of HFL Group Limited which has a £5 million term facility agreement with the London Borough of Lambeth. As at 31 March 2020, £2.15 million had been drawn down against this facility and £2.85 million is available to be drawn down as and when required. In addition, each project has its own development loan.

The directors have considered in detail the financial forecasts for the next twelve months for the company. Whilst the directors cannot predict the future trading and working capital requirements with certainty, they believe that the company will be able to generate sufficient funding from its trading activities to continue to be able to support its working capital requirements for the foreseeable future. Furthermore, if required, it will have financial support from its parent company which has access to funds under the facility detailed above. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

The directors have considered the impact of the Covid-19 pandemic on the business and do not believe there to be any change in the going concern status of the company.

1.3 Revenue

Revenue represents rental income from AST properties, collected on behalf of the London Borough of Lambeth and recognised on a straight line basis over the term of the assured shorthold tenancy agreement. Revenue also includes income from commissioned projects recognised on a completion basis.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Software	33.33%
----------	--------

HFL BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Assets purchased during the year are not depreciated in the year of acquisition.

1.5 Impairment of non-current assets

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

The 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.

1.6 Inventories

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

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HFL BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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 statement of financial position 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 trade and other receivables 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

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

1.10 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

1.11 Revenue reserves

Revenue reserves relate to the retained cumulative losses brought forward and those arising from ordinary trading activities during the year.

HFL BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

3 Employees

There were no employees during the year. All staff and wages costs incurred during the year related to staff seconded from a fellow group undertaking.

4 Directors' remuneration

	2020	2019
	£	£
Remuneration paid to directors	21,430	25,563

5 Intangible fixed assets

	Other
	£
Cost	
At 1 April 2019	-
Additions	27,850
At 31 March 2020	27,850
Amortisation and impairment	
At 1 April 2019 and 31 March 2020	-
Carrying amount	
At 31 March 2020	27,850
At 31 March 2019	-

6 Trade and other receivables

	2020	2019
	£	£
Amounts falling due within one year:		
Trade receivables	5,577	931
Other receivables	1,450,363	29,629
	1,455,940	30,560

HFL BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7	Current liabilities	2020	2019
		£	£
	Trade payables	152,176	-
	Amounts owed to group undertakings	927,758	142,832
	Other payables	882,073	15,177
		<u>1,962,007</u>	<u>158,009</u>
8	Non-current liabilities	2020	2019
		£	£
	Amounts owed to group undertakings	<u>1,409,264</u>	<u>-</u>
9	Called up share capital	2020	2019
		£	£
	Ordinary share capital Issued and fully paid		
	100 Ordinary shares of 10p each	<u>10</u>	<u>10</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Francis Corbishley.
The auditor was Moore Northern Home Counties Limited.

11 Related party transactions

The company's ultimate parent undertaking is the London Borough of Lambeth by virtue of 100% ownership of its parent company HFL Group Limited by The Mayor and Burgesses of the Borough on behalf of the Council. The company has taken advantage of exemptions available under Financial Reporting Standard 102 not to disclose any transactions or balances with entities that are 100% controlled by the Council.

12 Ultimate controlling party

The ultimate controlling party is the London Borough of Lambeth by virtue of 100% ownership of the parent company HFL Group Limited's shares held by The Mayor and Burgesses of the Borough on behalf of the Council.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.