

Company Registration No. 09990656 (England and Wales)

HERTFORDSHIRE BUILDING CONTROL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

HERTFORDSHIRE BUILDING CONTROL LIMITED

CONTENTS

	Page
Statement of comprehensive income	1
Balance sheet	2 - 3
Statement of changes in equity	4
Notes to the financial statements	5 - 14

HERTFORDSHIRE BUILDING CONTROL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Loss for the year	(60,465)	(1,513,693)
Other comprehensive income		
Remeasurements relating to assumptions in valuation of pension liability	1,125,000	(376,000)
Total comprehensive income for the year	<u>1,064,535</u>	<u>(1,889,693)</u>

HERTFORDSHIRE BUILDING CONTROL LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	5		56,206		80,011
Tangible assets	6		64,860		69,975
			121,066		149,986
Current assets					
Debtors	7	855,646		907,921	
Cash at bank and in hand		554,884		399,377	
		1,410,530		1,307,298	
Creditors: amounts falling due within one year	8	(1,269,384)		(1,510,607)	
Net current assets/(liabilities)			141,146		(203,309)
Total assets less current liabilities			262,212		(53,323)
Creditors: amounts falling due after more than one year	9		(856,000)		(749,000)
Net assets excluding pension liability			(593,788)		(802,323)
Defined benefit pension liability			(1,279,000)		(2,135,000)
Net liabilities			(1,872,788)		(2,937,323)
Capital and reserves					
Called up share capital	11		1		1
Profit and loss reserves			(1,872,789)		(2,937,324)
Total equity			(1,872,788)		(2,937,323)

The directors of the company have elected not to include a copy of the profit and loss account 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.

HERTFORDSHIRE BUILDING CONTROL LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

The financial statements were approved by the board of directors and authorised for issue on 27 May 2021 and are signed on its behalf by:

Mr Matthew Lawrence Bunyon
Director

Company Registration No. 09990656

HERTFORDSHIRE BUILDING CONTROL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 March 2019:			
Balance at 1 April 2018	1	(1,047,631)	(1,047,630)
Year ended 31 March 2019:			
Loss for the year	-	(1,513,693)	(1,513,693)
Other comprehensive income:			
Remeasurements relating to valuation of Defined Benefit Obligation	-	(376,000)	(376,000)
Total comprehensive income for the year	-	(1,889,693)	(1,889,693)
Balance at 31 March 2019	1	(2,937,324)	(2,937,323)
Year ended 31 March 2020:			
Loss for the year	-	(60,465)	(60,465)
Other comprehensive income:			
Remeasurements relating to valuation of Defined Benefit Obligation	-	1,125,000	1,125,000
Total comprehensive income for the year	-	1,064,535	1,064,535
Balance at 31 March 2020	1	(1,872,789)	(1,872,788)

HERTFORDSHIRE BUILDING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Hertfordshire Building Control Limited is a private company limited by shares incorporated in England and Wales. The registered office is Campus West, 4th Floor, The Campus, Welwyn Garden City, AL8 6AE.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Broste Rivers Limited. These consolidated financial statements are available from its registered office Campus West, 4th Floor, The Campus, Welwyn Garden City, United Kingdom, AL8 6AE

HERTFORDSHIRE BUILDING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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 has a net asset deficiency of £1,872,788 as at 31 March 2020 out of which £1,279,000 is attributable to the defined benefit pension scheme accounting. There is a headroom of £520,000 loan facility available from the ultimate shareholders when the need arises. The directors have performed an assessment of the financial impact of the ongoing global economic crisis caused by the COVID-19 pandemic. The company is reliant on the continued financial support from its ultimate shareholders, the 8 Hertfordshire Councils, in order to meet its obligations as they fall due.

At the time of approving the financial statements, the directors have a reasonable expectation that the company, with support of its ultimate shareholders, has adequate resources to continue in operational existence for the foreseeable future. The directors also assess that the group has sufficient resources and assets to meet its liabilities and support also available from other associated companies controlled by the directors. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company is in discussion with the shareholder Local Authorities to arrange a "Pass Through" agreement for the LGPS pension Scheme liability. If agreed, a pass through agreement would fix the value of employer contribution for LGPS members at an agreed percentage of salary and would be the sole amount chargeable to the profit and loss account in relation to LGPS employer contributions. A pass through agreement would therefore remove the need for an FRS 102 accounting valuation in the company's accounts as the valuation of the fund would revert back into the Local Authorities accounts. The current shortfall of £1,279,000 arises from accounting convention and is not representative of the true LGPS funding position therefore there is no going concern impact on the company. In the event of a winding up the company the LGPS liabilities are fully indemnified by the Local Authority shareholders

This current liability of £1,279,000 is not payable from a cashflow point of view.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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.

HERTFORDSHIRE BUILDING CONTROL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****1 Accounting policies****(Continued)**

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	5 years straight line basis
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation 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:

Plant and equipment	5 years straight line basis
Fixtures and fittings	5 years straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed 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.

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, 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.

HERTFORDSHIRE BUILDING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

NEST is a defined contribution scheme. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The Company shares in a multi-employer defined benefit plan Local Government Pension Scheme ('LGPS') which is available for certain employees. The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

HERTFORDSHIRE BUILDING CONTROL 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 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the year is stated after charging:		
Depreciation of owned tangible fixed assets	23,755	23,026
(Profit)/loss on disposal of tangible fixed assets	-	2,924
Amortisation of intangible assets	23,805	22,660
Operating lease charges	64,412	9,044
	<u> </u>	<u> </u>

4 Employees

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

	2020	2019
	Number	Number
	67	58
	<u> </u>	<u> </u>

5 Intangible fixed assets

	Software
	£
Cost	
At 1 April 2019 and 31 March 2020	119,024
Amortisation and impairment	
At 1 April 2019	39,013
Amortisation charged for the year	23,805
At 31 March 2020	62,818
Carrying amount	
At 31 March 2020	56,206
At 31 March 2019	80,011

HERTFORDSHIRE BUILDING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2019	101,110	9,609	110,719
Additions	12,136	6,504	18,640
	<hr/>	<hr/>	<hr/>
At 31 March 2020	113,246	16,113	129,359
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 April 2019	38,556	2,188	40,744
Depreciation charged in the year	21,291	2,464	23,755
	<hr/>	<hr/>	<hr/>
At 31 March 2020	59,847	4,652	64,499
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 March 2020	53,399	11,461	64,860
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2019	62,554	7,421	69,975
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	575,183	706,114
Amounts owed by group undertakings	170,324	-
Other debtors	50,342	138,003
Prepayments and accrued income	59,797	63,804
	<hr/>	<hr/>
	855,646	907,921
	<hr/> <hr/>	<hr/> <hr/>

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	11,125	52,464
Taxation and social security	107,925	178,260
Other creditors	191,692	354,411
Accruals and deferred income	958,642	925,472
	<hr/>	<hr/>
	1,269,384	1,510,607
	<hr/> <hr/>	<hr/> <hr/>

HERTFORDSHIRE BUILDING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Other borrowings	10	856,000	749,000

10 Loans and overdrafts

	2020 £	2019 £
Loans from related parties	856,000	749,000
Payable after one year	856,000	749,000

The loans bear interest at 4% per annum. The shareholders of the holding company confirm the loan will not be repayable within 12 months from the date of authorisation of these accounts.

11 Share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid		
1 Ordinary share of £1 each	1	1

12 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 Ketan Shah.

The auditor was KLSA LLP.

HERTFORDSHIRE BUILDING CONTROL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****13 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	47,500	245,417
Between two and five years	150,426	-
	<u>197,926</u>	<u>245,417</u>

14 Post balance sheet events

Subsequent to the balance sheet date, the UK's economic outlook has deteriorated as a consequence of the COVID-19 pandemic and the measures taken by the government to control the spread of the virus. The company has continued to operate successfully throughout this period. The directors continue to monitor the World Health Organisation, Department of Health and other government websites and are continuously monitoring the situation to identify any potential disruption of service. The Company will implement all necessary and prudent measures to ensure the health and safety of its employees while minimising any disruption of services.

15 Related party transactions

The company has taken advantage of the exemption available in FRS 102, whereby it has not disclosed transactions with its holding company and any other company which is under common control.

The Company has received loans amounting to £856,000 (2019: £749,000) from the eight shareholders of the parent company. The loans carry interest of 4% per annum.

Included in Trade Debtors, is an amount due from the shareholders of the holding company amounting to £221,631 (2019: £270,083).

The Company received service fees from the shareholders of the holding company amounting to £385,982 (2019: 147,159) during the year.

The Company paid £148,093 (2018: £157,572) to the shareholders of the holding company for services availed during the year.

16 Ultimate controlling party

The parent company is Broste Rivers Limited, a company registered in the United Kingdom

17 Restatement of balances

Salaries and wages were split between administrative cost and cost of sales in the previous year. There is no effect on the profit for the year.

HERTFORDSHIRE BUILDING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18 Prior period adjustment

At the time the 2019 accounts were prepared, the information in respect of Defined Benefit Pension Obligation as at 31.03.2019 was not available. The liability of £1,942,000 has been recognised as a prior year adjustment making the total liability outstanding as at 31.03.2019 from £193,000 to £2,135,000. as shown on the face of Balance Sheet..

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 31 Mar 2019 £
Creditors due within one year			
Other creditors including Defined Benefit Pension Obligation	(1,525,347)	(1,942,000)	(3,467,347)
	=====	=====	=====
Capital and reserves			
Profit and loss	(995,324)	(1,942,000)	(2,937,324)
	=====	=====	=====

Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
Period ended 31 March 2019			
Administrative expenses	(1,143,992)	(1,453,000)	(2,596,992)
Interest payable and similar expenses	(29,964)	(113,000)	(142,964)
Profit/(loss) for the financial period	52,307	(1,566,000)	(1,513,693)
	=====	=====	=====

Reconciliation of changes in equity

	1 April 2018 £	31 March 2019 £
Adjustments to prior year		
Effect of recognition of Defined Benefit Pension Liability as at 31 March 2019	-	(1,942,000)
Equity as previously reported	(1,047,630)	(995,323)
	=====	=====
Equity as adjusted	(1,047,630)	(2,937,323)
	=====	=====

Reconciliation of changes in profit/(loss) for the previous financial period

	2019 £
Adjustments to prior year	
Effect of recognition of Defined Benefit Pension Liability as at 31 March 2019	(1,566,000)
Profit as previously reported	52,307
	=====
Loss as adjusted	(1,513,693)
	=====

HERTFORDSHIRE BUILDING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18 Prior period adjustment

(Continued)

Notes to reconciliation

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

