Company Registration No. SC234591 (Scotland)

HFD SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 23 JUNE 2021

PAGES FOR FILING WITH REGISTRAR

HFD SERVICES LIMITED

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HFD SERVICES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 23 JUNE 2021

The directors present the strategic report for the period ended 23 June 2021.

Fair review of the business
The company acts as the holding company of a trading group whose principal activities are commercial property management services. The operating results of subsidiary companies which underpin the value in the company was deemed excellent by the board given the pressures resulting from the Coronavirus COVID-19 pandemic and the resulting restrictions.

At the year end the company had shareholders' funds of £14,496,663 (2019: £14,924,128).

Principal risks and uncertainties
The group finances its operations through a mixture of retained profits and secure bank deposits. The objectives are to

- maximise returns on funds employed through activities;
- retain sufficient funds for day-to-day obligations;
- ensure sufficient funds are available to cover potential unforeseen risks and liabilities

Future Plans
The directors expect the level of activity in the next financial period to evolve satisfactorily given the expected remission of the COVID-19 pandemic and that most future activity is contractually secured.

Key Performance Indicators
The directors consider profitability, funds in the bank and net assets to be the key performance indicators.

On behalf of the board

Mr W D Hill
Director

15 March 2022

HFD SERVICES LIMITED

BALANCE SHEET

AS AT 23 JUNE 2021

	Notes	2021		2019 as restated	
		£	£	£	£
Fixed assets					
Investments	**4**		2,730,936		17,456,935
Current assets					
Debtors	**6**	11,833,208		3,719,021	
Cash at bank and in hand		25,901		775	
		11,859,109		3,719,796	
Creditors: amounts falling due within one year	**7**	(93,382)		(6,252,603)	
Net current assets/(liabilities)			11,765,727		(2,532,807)
Net assets			14,496,663		14,924,128
Capital and reserves					
Called up share capital	**8**		13,922,500		13,922,500
Profit and loss reserves			574,163		1,001,628
Total equity			14,496,663		14,924,128

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.

The financial statements were approved by the board of directors and authorised for issue on 15 March 2022 and are signed on its behalf by:

Mr W D Hill
Director

Company Registration No. SC234591

1 Accounting policies

Company information

HFD Services Limited is a private company limited by shares incorporated in Scotland. The registered office is Phoenix House, Phoenix Crescent, Strathclyde Business Park, Bellshill, Lanarkshire, United Kingdom, ML4 3NJ.

With effect from 25th June 2021, the name of the company was changed from HFD (Managements) Limited to HFD Services Limited.

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 a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. 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' – Carrying amounts, 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 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of HFD Group Limited. These consolidated financial statements are available from its registered office, Phoenix House, Phoenix Crescent, Strathclyde Business Park, Bellshill, ML4 3NJ.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

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 directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In satisfaction of this responsibility the directors have considered the company's ability to meet its liabilities as they fall due.

The company meets its day to day working capital requirements through a mixture of retained profits and overdraft facilities. The company closely monitors and manages its funding position and liquidity risk throughout the year to ensure that it has access to sufficient funds to meet forecast cash requirements.

The company's going concern assessment considers its principal risks and is dependant on a number of factors including financial performance and access to funding facilities.

The current and future financial position of the company, its cash flows and liquidity position have been reviewed by the directors. The company continues to trade profitably with no issues arising post year end. The directors are confident that the existing funding facilities will provide sufficient headroom to meet forecast cash requirements having considered any additional requirements that would be contingent on a downturn in activity.

As such, the directors consider that it is appropriate to prepare financial statements on a going concern basis.

1.3 Reporting period

The directors have changed the year end of the company to 23 June in order to align with wider group considerations. As such, the directors present financial statements for the period 24 December 2019 to 30 June 2021 utilising the 7 day variation to statutory year end for administrative purposes. Comparative amounts presented in the financial statements (including the related notes) are therefore not entirely comparable.

1.4 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.

Turnover represents the invoiced value of services provided excluding value added tax. All revenue is derived through management income from subsidiary companies.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1 Accounting policies **(Continued)**

1.6 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.

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.

1.7 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.

1.8 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.

1 Accounting policies **(Continued)**

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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

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

2021 Number	2019 Number
4	5

4 Fixed asset investments

	Notes	2021 £	Restated 2019 £
Investments in subsidiaries	5	2,730,936	17,456,935

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 24 December 2019 as restated	17,456,935
Additions	1
Disposals	(14,726,000)
At 23 June 2021	2,730,936
Carrying amount	
At 23 June 2021	2,730,936
At 23 December 2019 as restated	17,456,935

During the period the company's interest in HFD Offices Limited and HFD Datavita Limited was transferred to be a direct subsidiary of HFD Group Limited.

5 Subsidiaries

Details of the company's subsidiaries at 23 June 2021 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	% Held Indirect
HFD Facilities Maintenance Limited	1	Repairs & maintenance services	Ordinary	100	0
HFD Intelligent Technologies Limited	1	IT services	Ordinary	100	0
HFD Landscaping Limited	1	Landscaping services	Ordinary	100	0
HFD Security Limited	1	Security services	Ordinary	100	0
HFD Grill Limited	1	Licensed Restaurant	Ordinary	100	0

Registered Office address:

1 Phoenix House, Phoenix Crescent, Strathclyde Business Park, Bellshill, Lanarkshire, ML4 3NJ.

6 Debtors

Amounts falling due within one year:	2021 £	2019 £
Amounts owed by group undertakings	11,581,935	2,377,581
Other debtors	231,719	1,328,211
Prepayments and accrued income	19,554	13,229
	11,833,208	3,719,021

7 Creditors: amounts falling due within one year

	2021 £	2019 £
Trade creditors	1,369	1,210
Amounts owed to group undertakings	-	5,570,465
Taxation and social security	60,736	21,715
Other creditors	-	636,000
Accruals and deferred income	31,277	23,213
	93,382	6,252,603

8 Share capital

Ordinary share capital Issued and fully paid	2021 Number	2019 Number	2021 £	2019 £
Ordinary of £1 each	13,922,500	13,922,500	13,922,500	13,922,500

9 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 James McBride and the auditor was Azets Audit Services.

10 Related party transactions

Transactions with related parties

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the period the company entered into the following transactions with related parties:

10 Related party transactions **(Continued)**

	Purchases	
	2021	2019
	£	£
Other related parties	1,551,230	209,872

Interest of £334,771 (2019: £nil) was received from other related parties.

The following amounts were outstanding at the reporting end date:

	2021	2019
Amounts due to related parties	£	£
Other related parties	-	636,000

11 Ultimate controlling party

The company's ultimate parent undertaking is HFD Group Limited which is the smallest and largest group of companies for which group financial statements are prepared. Copies of the group, financial statements are available to the public from Companies House, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

The Hill 2011 Trust and The Alexander Trust and their members are considered to be the ultimate controlling party due to their majority shareholding in HFD Group Limited.

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.