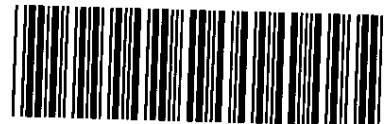


HUNTERS PROPERTY GROUP LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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HUNTERS PROPERTY GROUP LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2021

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HUNTERS PROPERTY GROUP LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:

D A Raggett
Mrs G J Frew
G M Samples

REGISTERED OFFICE:

2 St Stephen's Court
St Stephen's Road
Bournemouth
BH2 6LA

REGISTERED NUMBER:

03947557 (England and Wales)

HUNTERS PROPERTY GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

FAIR REVIEW OF BUSINESS

This year has seen another strong performance on the back of an encouraging 2020. 2021 saw a buoyant sales market due to the stamp duty holiday and reprioritised homeowner needs.

Revenue for the year for the company was £4,019,622 (2020: £3,962,210) generating a profit before tax of £125,082 (2020: loss of £28,386).

Customers are always at the heart of everything we do. In terms of customer satisfaction we are delighted to announce that we achieved 95% (2020: 97%) customer satisfaction rating over the year as a whole. This is our 10th consecutive year in excess of 90%.

The company's principal working capital and cash flow funding requirements have been managed through the use of available cash, relationships with the company's trade debtors and creditors, bank and other loans to the company. Since completion of the takeover by The Property Franchise Group Plc (TPFG) on 19 March 2021, the enlarged group has refinanced at a group level and funding provided since through the enlarged group's £12.5m facility, secured under cross guarantee with Hunters Property Limited and its subsidiaries, including Hunters Property Group Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the business remains the health of the UK residential property market. Confidence in this market is affected by a number of factors such as economic performance and stability of the country generally. We are uncertain about the future economic and financial impact of recent events including Brexit and the ongoing war in Ukraine.

Matters such as the interest rate applied to mortgage lending and the security and mobility of employment remain risks to the business. Our balance between sales and lettings has been developed to be less cyclical and therefore mitigating the effects of some of these risks.

FINANCIAL KPIS

The Board considers the key financial KPIs of the company to be revenue, as a provider of property services, and net profit, as also being a management service company. Other KPIs in areas such as working capital are not considered to be relevant now that the company is part of a wider group (TPFG) and has access to the group loan facility.

OTHER INFORMATION AND EXPLANATIONS

We have an outstanding and experienced team that are committed to the business and our quest to become the Nation's favourite estate agent. None of this could have been achieved without their sterling efforts. We believe that we have some truly outstanding industry professionals associated with the business and we as a board would like to take this opportunity to thank them not just as for this year but in grateful recognition of their dedication to Hunters and its cause.

ON BEHALF OF THE BOARD:


D A Raggett - Director

Date: 27/09/22

HUNTERS PROPERTY GROUP LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The company's principal activity continued to be that of providing property services to consumers and businesses including sales, lettings and related property services, and that of a management services company.

DIVIDENDS

No ordinary dividends were declared and became contractually payable during the year. The directors do not recommend payment of a final dividend.

FUTURE DEVELOPMENTS

The future developments of the company are included in the Strategic Report.

RISKS

The principal risks of the company are included in the Strategic Report.

DIRECTORS

Mrs G J Frew has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

D A Raggett - appointed 19 March 2021
G M Samples - appointed 19 March 2021
K P Hollinrake - resigned 19 March 2021
M J Robinson - resigned 19 March 2021
J F Waterhouse - resigned 31 March 2021
E A Jones - resigned 31 May 2021

AUDIT EXEMPTION

The company is entitled to exemption from audit under Section S479A of the Companies Act 2006 for the year ended 31 December 2021.

ON BEHALF OF THE BOARD:



.....
D A Raggett - Director

Date:27/09/22.....

HUNTERS PROPERTY GROUP LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

HUNTERS PROPERTY GROUP LIMITED
STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
TURNOVER	4		4,019,622		3,962,210
Administrative expenses			<u>(4,718,604)</u>		<u>(5,395,574)</u>
			(698,982)		(1,433,364)
Other operating income			<u>1,036,000</u>		<u>1,531,678</u>
OPERATING PROFIT			337,018		98,314
Income from shares in group undertakings	7	-		144,946	
Fair value gains and losses		(17,690)		39,434	
Interest receivable and similar income	8	<u>13</u>		<u>137,572</u>	
			<u>(17,677)</u>		<u>321,952</u>
			319,341		420,266
Interest payable and similar expenses	9		<u>(194,259)</u>		<u>(448,652)</u>
PROFIT/(LOSS) BEFORE TAXATION	10		125,082		(28,386)
Tax on (profit)/loss	11		<u>(44,098)</u>		<u>2,972</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			80,984		(25,414)
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>80,984</u>		<u>(25,414)</u>

The notes form part of these financial statements

HUNTERS PROPERTY GROUP LIMITED (REGISTERED NUMBER: 03947557)

BALANCE SHEET
31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	12		1,415,190		1,560,846
Tangible assets	13		1,695,928		1,938,090
Investments	14		73,911		91,601
Investment property	15		<u>402,676</u>		<u>450,789</u>
			3,587,705		4,041,326
CURRENT ASSETS					
Debtors	16	5,999,582		6,828,011	
Cash at bank		<u>640,714</u>		<u>7,669,138</u>	
		6,640,296		14,497,149	
CREDITORS					
Amounts falling due within one year	17	<u>(6,196,806)</u>		<u>(6,989,780)</u>	
NET CURRENT ASSETS			<u>443,490</u>		<u>7,507,369</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,031,195		11,548,695
CREDITORS					
Amounts falling due after more than one year	18		(1,875,449)		(9,594,485)
PROVISIONS FOR LIABILITIES	21		<u>(327,377)</u>		<u>(318,376)</u>
NET ASSETS			<u>1,828,369</u>		<u>1,635,834</u>

The notes form part of these financial statements

BALANCE SHEET - continued
31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
CAPITAL AND RESERVES					
Called up share capital	22		<u>867,329</u>		867,329
Share premium			<u>897,375</u>		897,375
Capital redemption reserve			<u>737</u>		737
Capital contribution reserve			<u>111,551</u>		-
Retained earnings			<u>(48,623)</u>		(129,607)
SHAREHOLDERS' FUNDS			<u><u>1,828,369</u></u>		<u><u>1,635,834</u></u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 27/01/22 and were signed on its behalf by:


D A Raggett - Director

HUNTERS PROPERTY GROUP LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2020	867,329	(104,193)	897,375
Changes in equity			
Total comprehensive income	-	(25,414)	-
Balance at 31 December 2020	<u>867,329</u>	<u>(129,607)</u>	<u>897,375</u>
Changes in equity			
Total comprehensive income	-	80,984	-
Balance at 31 December 2021	<u>867,329</u>	<u>(48,623)</u>	<u>897,375</u>
	Capital redemption reserve £	Capital contribution reserve £	Total equity £
Balance at 1 January 2020	737	-	1,661,248
Changes in equity			
Total comprehensive income	-	-	(25,414)
Balance at 31 December 2020	<u>737</u>	<u>-</u>	<u>1,635,834</u>
Changes in equity			
Share-based payment credit	-	111,551	111,551
Total comprehensive income	-	-	80,984
Balance at 31 December 2021	<u>737</u>	<u>111,551</u>	<u>1,828,369</u>

The notes form part of these financial statements

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATUTORY INFORMATION

Hunters Property Group Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The registered office is 2 St. Stephen's Court, St. Stephen's Road, Bournemouth, Dorset, BH2 6LA.

The principal activity of the company is the providing of property services to consumers and businesses which include sales, lettings and related property services.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

The financial statement are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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.

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Business combinations

The cost of business combination is the fair value at the acquisition at the date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

The parent company has produced detailed budgets, projections and cash flow forecasts. These have been stress tested to understand the impacts of reductions in revenue and costs. The Directors have concluded after reviewing these budgets, projections and forecasts, making appropriate enquiries of the business, that there is a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Revenue

The company has applied IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied.

Revenue from residential, commercial and land sales

This represents revenue from the sale of residential property, sale of commercial property or the sale of land. The revenue is recognised at the point the company has performed its performance obligation to see the transaction through to the exchange of contracts between a buyer and a vendor.

Lettings revenue

This represents revenue from commission earned as letting agents. The company's performance obligations under these contracts are to provide services to manage the letting of properties. Where the performance obligation relates to letting of a property the revenue is recognised at the point the property has been let. Where the performance obligation relates to the management of a lettings property, revenue is recognised over the period the property is managed.

Other

Financial services revenue represents commission receivable from partner customers from the sale of financial products associated with the sale or let of a property. The company's performance obligation under the contract is to provide an introduction of prospective policyholders to partners. The performance obligation has been satisfied at the point of successful placement or renewal of a financial product.

Rental income represents amounts receivable in respect of the rent of properties, net of VAT, and is recognised on an accrued straight line basis over the period of occupation.

2. ACCOUNTING POLICIES - continued**Intangible fixed assets - goodwill**

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable and separately recognised. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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 the 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	3 years or over the life of the license
Customer lists	2 to 12 years

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at historic cost less accumulated depreciation, on a straight line basis over the life of the lease, at the reporting end date.

Investment property comprises of one of the floors in Apollo House, a property held under lease within Hunters Property Group Limited and is subleased to an independent third party. The investment property is held at historic cost less accumulated depreciation, on the basis the lease represents a relatively short term lease in nature and such it is not possible to reliably determine a fair value where this lease is to expire in a short period of time.

Non-current investments

Interests in subsidiaries, associates and jointly controlled entities 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 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.

Other investments in equity instruments that have a quoted market price in an active market and other equity instruments whose fair value can be reliably measured are measured at fair value; otherwise investments in equity instruments are measured at cost less accumulated impairment losses. The directors have regards to whether equity investments in entities listed on AIM represent active markets (an active market is a market that routinely experiences high transaction volumes) and in determining any alternative basis of fair value used as appropriate, taking into account any restrictions on sale of shares as applicable.

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

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.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the assets may be impaired.

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.

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.

Tangible fixed assets

Property, plant and equipment 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 my cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	25% Reducing balance or 10%-33% straight line
Computer equipment	33% Straight line
Right of use assets	Over the period of the lease

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.

Financial instruments

Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

After initial recognition, financial assets are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment losses on trade receivables are measured based on estimated expected credit losses.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Financial assets held for trading

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit and loss are carried in the Statement of Financial Position at fair value with changes in fair value recognised in investment income or finance costs in the Statement of Comprehensive Income.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

The Company applies a forward-looking model of IFRS 9 to create an estimation of the expected credit losses arising in the next year on its financial assets, using an expectation derived from historic irrecoverable percentages as adjusted for predicted credit risk adjustments arising through forecast market changes.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and subsequently all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities include borrowings and trade and other payables.

Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transactions costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with the effective interest recognised as an expense in finance costs.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

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.

Share capital represents the nominal value of shares that have been issued.

Share premium represents the excess consideration received over the share capital upon the sale of shares, less any incidental costs of issue.

Retained earnings include all current and prior retained earnings. Included within retained earnings are unrealised losses of £2,825 (2020: profit £8,411), which relate to the cumulative fair value movements on listed investments.

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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries, a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

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 inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. **ACCOUNTING POLICIES - continued**

Retirement benefits

The company contributes to personal pension plans for the benefit of certain employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Leases

Under IFRS 16 Leases are accounted for on the right of use model. At inception, the company assesses whether a contract contains a lease. This assessment involved the exercise of judgement about whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the company has the right to direct the use of the asset.

IFRS 16 permits lessees to elect not to apply the recognition requirements to short term leases and leases for which the underlying asset is low value. The company has elected not to recognise short term leases of less than one year at inception and low value leases which will continue to be reflected in the Income Statement. This will be the ongoing policy adopted by the company. There are no right of use assets or lease liabilities recognised for these leases, and the expense is recognised in the Income Statement on a straight line basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses an incremental borrowing rate which is the rate of interest that the lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in similar economic environment.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset and are now presented within property, plant and equipment.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in line with the companies existing impairment accounting policy.

Government grants

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

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

During the prior year the company has received COVID-19 specific grants from the UK Government. Grants received include the Job Retention Scheme and The Small Business Grant Fund in addition to financing received as part of the Coronavirus Business Interruption Loans Scheme ("CBILS"). The interest free period relating to the CBILS has been taken into account by recognising the loan at its net present value. Accordingly, interest has been expensed and recognised within interest income.

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

3. 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Intangible fair value and useful lives

The company tests goodwill and acquired intangibles annually for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The carrying values are assessed for impairment purposes by calculating the net present value (NPV) of future cash flows arising from the original acquired business.

Accounting for branch conversions into franchises

During the year, a fellow group undertaking has entered into two franchising agreements whereby branch offices owned by the company were converted into franchised branches of a fellow group undertakings. The physical assets, contracts, receivables and payables related to the branches have been transferred to the franchisees, whilst the intellectual property associated with the company has been retained by the fellow group undertaking whilst being subject to a right of access under the new franchise agreement.

Any future income expected to derive from the franchisee contracts should not be attributed to profit of the sale of owned assets. Such conversions do not represent the sale of a business.

Fair value of investments other than subsidiaries

Other investments in equity instruments that have a quoted market price in an active market and other equity instruments whose fair value can be reliably measured are measured at fair value; otherwise investments in equity instruments are measured at cost less accumulated impairment losses. The fair value of equity investments is derived from an observable active market.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Goodwill

Further details of the methodology and sensitivities around the impairment review are provided in note 12.

IFRS 16

The liabilities were initially measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. All leases were discounted using an estimated implicit rate of 4.50%, with almost all leases by value relating to properties.

The additions, in the prior year, to right of use assets relate to a rent review increase on a lease and a lease renewal, which can be seen on note 13.

Liabilities, accruals and provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date. Each period the Directors assess the risks and uncertainties surrounding the balance and review the discount rates applied when calculating the present value where material. In particular, estimation uncertainty arises on the dilapidation provisions and typical rates based on experience have been used to determine the extent of the dilapidations taking into account post year end dilapidation costs incurred. Further details on the assumptions made for specific provisions are disclosed in note 21.

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

Expected credit losses

The amount recognised as a provision is the best estimate of the expected credit loss that the Group is projected to incur on that receivable. Each period end the Directors assess the risks and uncertainties surrounding the receivable balances and use historic experience in assessing the likelihood of losses as adjusted for predicted credit risk adjustments arising through forecast market changes. Where expected credit losses pertain to amounts billed on behalf of fellow group undertakings, these are recharged. Further details on the assumptions made for specific provisions are disclosed in note 16.

4. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021 £	2020 £
Revenue from contracts with customers	<u>4,019,622</u>	<u>3,962,210</u>
	<u>4,019,622</u>	<u>3,962,210</u>

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	<u>4,019,622</u>	<u>3,962,210</u>
	<u>4,019,622</u>	<u>3,962,210</u>

The company does not have any major customers which account for 10% or more of revenues.

Other significant revenue

	2021 £	2020 £
Interest income	13	282,518
Grants received	-	263,658
Group recharges	<u>1,036,000</u>	<u>1,252,000</u>

In the prior year, as a result of the COVID-19 pandemic, the Group has received a number of support mechanisms from the UK Government which are recognised as grant income, leading to one-off items of income recognised within the Income Statement. These included:

- £163,658 in respect of income under the Coronavirus Job Retention Scheme, recognised within Other Operating Income in the Statement of Comprehensive Income, on the performance basis by reference to the period to which the underlying contract of employment relates.
- £100,000 in respect of local authority grants, recognised on receipt within Other Operating Income.
- £137,156 of time-value benefits derived from an interest-free period on a CBILS loan, recognised within finance income in the Income Statement. Of this, £84,132 was reversed as finance expense during the period, representing the consumption of this benefit.

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	1,995,614	2,704,245
Social security costs	247,478	259,016
Other pension costs	<u>160,919</u>	<u>105,793</u>
	<u>2,404,011</u>	<u>3,069,054</u>

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2021	2020
Directors	3	5
Sales and administration	<u>106</u>	<u>132</u>
	<u>109</u>	<u>137</u>

The company incurs all staff costs centrally and recovers a fair portion of costs from other group companies by the management charge income shown in note 3.

6. DIRECTORS' EMOLUMENTS

	2021 £	2020 £
Directors' remuneration	441,884	665,383
Directors' pension contributions to money purchase schemes	<u>47,815</u>	<u>71,837</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>5</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments	294,352	210,503
Pension contributions to money purchase schemes	<u>35,689</u>	<u>34,324</u>

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2021 £	2020 £
Shares in group undertakings	<u>-</u>	<u>144,946</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Bank interest receivable	13	416
Initial gain on present value of Government funding received	<u>-</u>	<u>137,156</u>
	<u>13</u>	<u>137,572</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Bank interest	41,575	268,605
Interest payable to group undertakings	53,024	51,427
Interest on leases	<u>99,660</u>	<u>128,620</u>
	<u>194,259</u>	<u>448,652</u>

HUNTERS PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. PROFIT/(LOSS) BEFORE TAXATION

	2021 £	2020 £
The loss before taxation for the year is stated after charging:		
Government grants	-	(263,658)
Fees payable to the company's auditors for the audit of the company's financial statements	11,000	11,000
Depreciation of owned property, plant and equipment	50,955	55,351
Depreciation property, plant and equipment held under leases	280,900	290,369
Depreciation of investment property	48,113	43,108
Profit on disposal of property, plant and equipment	-	(22,735)
Amortisation of intangible assets	<u>202,412</u>	<u>241,031</u>

Included within profit on disposal of property, plant and equipment is a profit of £nil (2020 - £34,774) which is the residual value after disposing of two leases previously recognised under IFRS 16. The disposals arise as a result of Hunters Property Group Limited selling branches and associated assets and liabilities for notional consideration of £1 with the IFRS 16 lease liabilities disposed being greater than the carrying amount of the associated right of use assets on disposal.

11. TAXATION

Analysis of tax expense/(income)

	2021 £	2020 £
Current tax:		
Tax	44,098	35,625
Over/under provision in prior year	-	(2,967)
Total current tax	44,098	32,658
Deferred tax	-	(35,630)
Total tax expense/(income) in statement of comprehensive income	<u>44,098</u>	<u>(2,972)</u>

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit/(loss) before income tax	<u>125,082</u>	<u>(28,386)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	23,766	(5,393)
Effects of:		
Expenses that are not deductible in determining taxable profit	1,123	30,738
Effect of change in corporation tax rate	-	16,206
Group relief (received)/surrendered	-	(39,372)
Depreciation on assets not qualifying for tax allowances	13,349	2,869
Effect of revaluations of investments	2,135	(7,493)
Share based payment charge	-	(2,814)
Under/(over)provided in the year	-	(2,967)
Other adjustments	<u>3,725</u>	<u>5,254</u>
Tax expense/(income)	<u>44,098</u>	<u>(2,972)</u>

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. TAXATION - continued

The UK corporation tax rate was 19% throughout the year.

In the March 2021 Budget, a further change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. Deferred tax balances at the reporting date are therefore measured at 25% (2020 - 19%).

12. INTANGIBLE FIXED ASSETS

	Goodwill £	Software £	Customer lists £	Totals £
COST				
At 1 January 2021	397,362	443,972	1,642,573	2,483,907
Additions	<u>-</u>	<u>56,756</u>	<u>-</u>	<u>56,756</u>
At 31 December 2021	<u>397,362</u>	<u>500,728</u>	<u>1,642,573</u>	<u>2,540,663</u>
AMORTISATION				
At 1 January 2021	34,679	280,785	607,597	923,061
Amortisation for year	<u>-</u>	<u>70,136</u>	<u>132,276</u>	<u>202,412</u>
At 31 December 2021	<u>34,679</u>	<u>350,921</u>	<u>739,873</u>	<u>1,125,473</u>
NET BOOK VALUE				
At 31 December 2021	<u>362,683</u>	<u>149,807</u>	<u>902,700</u>	<u>1,415,190</u>
At 31 December 2020	<u>362,683</u>	<u>163,187</u>	<u>1,034,976</u>	<u>1,560,846</u>

Impairment tests for goodwill

The company tests for goodwill annually for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill is assessed for impairment by comparing the carrying values with the value-in-use calculation, which is determined by calculating the net present value (NPV) of future cash flows arising from the original acquired business.

The NPV of future cash flows is based on budgets and forecasts for the next 4 years to 2025, using growth rates of 0% - 3% based on past experience and outlook. Thereafter growth is assumed to be 0-3% in to perpetuity based on long term housing sector growth rates and current housing transaction volumes. A discount rate of between 10% and 11% has been used based on the Group's estimated cost of capital, and varied based on the risk profile of the underlying asset.

The key sensitivities in assessing the value in use of goodwill are forecast cashflows and the discount rate applied as follows:

- A 1% reduction in long term growth rates would have no impact on carrying values; and
- A 2% increase in the discount applied would have no impact on the carrying values.

The company carries exposure to two significant uncertainties, being political uncertainties around the ultimate outcome of Brexit after 31 December 2021, and the ongoing market and operational risks arising from the coronavirus outbreak, neither of which are unique to the company. In light of these the company has applied further sensitivities in assessing the value in use in the short to medium term. A 5% reduction compared to the base case revenue over each year of the 5 year forecast horizon period have no impact on the assessment of impairment.

HUNTERS PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Right of use assets £	Totals £
COST			
At 1 January 2021	469,984	3,838,020	4,308,004
Additions	<u>36,533</u>	<u>53,160</u>	<u>89,693</u>
At 31 December 2021	<u>506,517</u>	<u>3,891,180</u>	<u>4,397,697</u>
DEPRECIATION			
At 1 January 2021	351,223	2,018,691	2,369,914
Charge for year	<u>50,955</u>	<u>280,900</u>	<u>331,855</u>
At 31 December 2021	<u>402,178</u>	<u>2,299,591</u>	<u>2,701,769</u>
NET BOOK VALUE			
At 31 December 2021	<u>104,339</u>	<u>1,591,589</u>	<u>1,695,928</u>
At 31 December 2020	<u>118,761</u>	<u>1,819,329</u>	<u>1,938,090</u>

The right of use asset additions relate to a rent review increase and a lease renewal for leases recognised under IFRS 16.

The net carrying value of tangible fixed assets includes the following in respect of assets held under lease contracts.

Leased assets

	2021 £	2020 £
Net values	1,593,210	1,830,458
Depreciation charge for the year	<u>290,408</u>	<u>290,369</u>

14. INVESTMENTS

	Investments - subsidiaries £	Listed investments £	Totals £
COST			
At 1 January 2021	201	91,400	91,601
Fair value gains and losses	<u>-</u>	<u>(17,690)</u>	<u>(17,690)</u>
At 31 December 2021	<u>201</u>	<u>73,710</u>	<u>73,911</u>
NET BOOK VALUE			
At 31 December 2021	<u>201</u>	<u>73,710</u>	<u>73,911</u>
At 31 December 2020	<u>201</u>	<u>91,400</u>	<u>91,601</u>

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. INVESTMENTS - continued

Listed investments

If the listed investments were to be held at historic cost the carrying amount would be £108,906 (2020 - £82,989). Included within retained earnings are unrealised losses of £2,825 (2020 - profits £8,411), which relate to cumulative fair value movements on listed investments.

The carrying value of shares at 31 December 2021 principally comprises the fair value of the Group's shareholding in OnTheMarket Plc, a company listed on the Alternative Investment Market. These shares are subject to a lock-in period ending in February 2023 and have been valued based on the quoted share price as at 31 December 2021. The Directors are of the opinion that the quoted share price is a reasonable basis on which to value the shareholding.

Subsidiaries

These financial statements are separate company financial statements for Hunters Property Group Limited.

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Direct	Held Indirect
Hapollo Limited	England and Wales	Letting and management of office space	Ordinary	100.00	-
Herriot Cottages Limited	England and Wales	Dormant	Ordinary	100.00	-
Hunters Group Limited	England and Wales	Dormant	Ordinary	100.00	-
Hunters Land & New Homes Limited	England and Wales	Dormant	Ordinary	100.00	-
Maddison James Limited	England and Wales	Dormant	Ordinary	100.00	-

All subsidiaries have a registered office of 2 St Stephens Court, St. Stephens Road, Bournemouth, England, BH2 6LA.

15. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2021	
and 31 December 2021	<u>680,344</u>
DEPRECIATION	
At 1 January 2021	229,555
Charge for year	<u>48,113</u>
At 31 December 2021	<u>277,668</u>
NET BOOK VALUE	
At 31 December 2021	<u>402,676</u>
At 31 December 2020	<u>450,789</u>

Investment property comprises of one of the floors in Apollo House, a property held under lease within Hunters Property Group Limited which is subleased to an independent third party. The investment property is held at historic cost less accumulated depreciation, on the basis that the lease represents a relatively short term lease in nature and as such it is not possible to reliably determine a fair value where this lease is to expire in a short period of time.

HUNTERS PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	823,547	1,121,427
Amounts owed by group undertakings	4,640,156	5,186,260
Other debtors	55,052	75,621
Deferred tax asset	51,608	51,608
Prepayments and accrued income	376,575	340,451
	<u>5,946,938</u>	<u>6,775,367</u>

Amounts falling due after more than one year:
Deferred tax asset

52,644 52,644

Aggregate amounts

5,999,582 6,828,011

Deferred tax asset

	2021 £	2020 £
Deferred tax due within 1 year	51,608	51,608
Deferred tax due after 1 year	<u>52,644</u>	<u>52,644</u>
	<u>104,252</u>	<u>104,252</u>

Expected credit losses for the following 12 months have been estimated in accordance with IFRS 9. The current year expected credit losses have been adjusted to reflect an increased credit risk at the current reporting period date which has increased the overall provision from 18.5% to 24.6%.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 19)	-	462,727
Leases (see note 19)	352,757	342,304
Trade creditors	598,895	701,621
Amounts owed to group undertakings	3,424,078	3,090,478
Corporation tax	79,723	35,625
Social security and other taxes	44,954	92,965
VAT	433,281	950,475
Other creditors	35,040	119,689
Accruals and deferred income	<u>1,228,078</u>	<u>1,193,896</u>
	<u>6,196,806</u>	<u>6,989,780</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans (see note 19)	-	7,398,262
Leases (see note 19)	<u>1,875,449</u>	<u>2,196,223</u>
	<u>1,875,449</u>	<u>9,594,485</u>

Amounts included above which fall due after five years are as follows:
Payable by instalments

- 291,667

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

19. FINANCIAL LIABILITIES - BORROWINGS

	2021 £	2020 £
Bank loans	-	7,860,989
Payable within one year	-	462,727
Payable after one year	-	7,398,262
Amounts included above which fall due after five years:		
Payable by installments	-	291,667

In the prior year the company had two flexible loan facilities and a UK government Coronavirus Business Interruption Loan Scheme ("CBILS") loan. During the year all facilities were repaid.

20. LEASING

Lease liabilities

Minimum lease payments fall due as follows:

	2021 £	2020 £
Gross obligations repayable:		
Within one year	437,226	440,722
Between one and five years	1,196,940	1,335,833
In more than five years	985,991	1,250,125
	<u>2,620,157</u>	<u>3,026,680</u>
Finance charges repayable:		
Within one year	84,469	98,418
Between one and five years	228,998	271,205
In more than five years	78,484	118,530
	<u>391,951</u>	<u>488,153</u>
Net obligations repayable:		
Within one year	352,757	342,304
Between one and five years	967,942	1,064,628
In more than five years	907,507	1,131,595
	<u>2,228,206</u>	<u>2,538,527</u>

Lease payments represent rentals payable by the company for certain items of computer equipment and properties rented under lease arrangements. Except for properties, leases include purchase options at the end of the lease period, and no restriction are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

HUNTERS PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

21. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax liabilities	223,376	223,376
Dilapidations provisions	104,001	95,000
	<u>327,377</u>	<u>318,376</u>
	Deferred tax	Dilapidations Provision
	£	£
Balance at 1 January 2021	223,376	95,000
Movements in year	-	9,001
Balance at 31 December 2021	<u>223,376</u>	<u>104,001</u>

Dilapidations provision

The company holds a number of office leases under which it is obliged to make good certain elements of the buildings. The increase in the dilapidations provision is in respect of restoration costs anticipated for offices leased by the Group which are recognised over the term of each lease.

Deferred taxation

The following is the analysis of the deferred tax balances for financial reporting purposes:

Balances:	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	18,518	18,518	-	-
Lettings book intangibles	194,604	194,604	-	-
Dilapidations provision	-	-	18,050	18,050
Insurance excess provision	-	-	9,500	9,500
Spreading of IFRS 16 transitional tax impacts	-	-	53,931	53,931
Other provisions and accruals	10,254	10,254	22,771	22,771
	<u>223,376</u>	<u>223,376</u>	<u>104,252</u>	<u>104,252</u>

Included within deferred tax assets are amounts of £51,608 (2020 - £51,608) which are classified as due in less than one year.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021 £	2020 £
21,683,253	Ordinary share capital	£0.04	<u>867,329</u>	<u>867,329</u>

HUNTERS PROPERTY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

23. PENSION COMMITMENTS

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>113,104</u>	<u>105,793</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end, an amount of £14,438 (£2020 - £20,641) was held in other creditors, in respect of accrued pension contributions.

24. ULTIMATE PARENT COMPANY

The Property Franchise Group Plc is regarded by the directors as being the company's ultimate parent company.

As at the year end, Hunters Property Group Limited's immediate parent company is Hunters Property Limited and its ultimate parent company is The Property Franchise Group Plc. The Property Franchise Group Plc is the smallest and largest group into which Hunters Property Group Limited is consolidated. Copies of The Property Franchise Group Plc's financial statements can be obtained from 2 St. Stephen's Court, St. Stephen's Road, Bournemouth, Dorset, BH2 6LA.

25. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

Effective 27 January 2021 the company has entered into a bank cross guarantee with its parent company and fellow subsidiaries. The total guarantee amounted to £12.5m when the loan was drawn down on 30 March 2021.

The assets of the company are pledged as security for the bank borrowings of the parent company, by way of a fixed and floating charge.

The company had no other contingent liabilities as at 31 December 2021.

26. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption available in FRS 101 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group which would otherwise be required by IAS 24 'Related party disclosures'.

27. SHARE-BASED PAYMENT TRANSACTIONS

Liabilities and expenses

Total expenses of £111,551 relating to equity settled share based payment transactions were recognised in the year (2020 - £nil).

The fair value expense relates to options granted to franchise of the company but are for issue of shares in, The Property Franchise Group PLC the company's ultimate parent; accordingly the company has taken advantage of the disclosure exemptions under FRS 101 to not present this information.

Other reserves relates to the company's share of the fair value expense imposed on the company in respect of options granted over the equity shares of the company's parent The Property Franchise Group PLC.