

Company No. 10960533

Bumblebee Lettings Limited
Annual Report and Financial Statements
Year ended 31 March 2020

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1. Company Information

Directors

Derek Rust
Jeremy Arnold
Mike Gerrard
Shaun McLean
Tim Mulvenna
Julie Riley
Elliott Sweetman

Chair
(appointed 27 May 2020)
(resigned 18 October 2019)
(appointed 23 January 2020)

Company Secretary

Mike Gerrard (resigned 18 October 2019)
Tim Mulvenna (appointed 21 October 2019, resigned
23 January 2020)
Shaun McLean (appointed 23 January 2020)

Registered Office

2 Bristol Avenue
Colindale
London
NW9 4EW

Registered Number

10960533

Auditor

Grant Thornton UK LLP
Victoria House
199 Avebury Boulevard
Milton Keynes
MK9 1AU

Bankers

Santander UK PLC
T54 Ground Floor Ops
Bridle Road
Bootle
Liverpool
L30 4GB

2. Report of the Directors

The Board is pleased to present the financial statements of Bumblebee Lettings Limited (the Company) for the year to 31 March 2020.

Principal activities

Bumblebee Lettings Limited is a private lettings agency within TheBarnetGroup structure for the private letting of property. The Company was created to capitalise on the expertise and track record the Group has acquired through the delivery of a successful private sector lettings and management service under the Let2Barnet model. Bumblebee Lettings Limited utilises our experience to gain a foothold in the private rented lettings and management market through an online lettings agency.

Results for the year

The result for the year was a deficit of £116,000 (2019: £112,000 deficit).

Dividends

The Directors do not propose a dividend for the period.

Directors

The names of the Directors who served during the year can be found on page 2.

3rd party indemnity provision for Directors

Directors are provided with indemnity insurance procured through TheBarnetGroup Limited for Personal Accident and Directors' and Officers' liability.

Disabled persons

Bumblebee Lettings Limited is committed to equality and diversity and our goal is to embed it into our practices and everything we do. We want to ensure that all the people we support receive the best possible service and that everyone is supported to develop and achieve to the best of their abilities.

Our objective is to ensure that services are provided fairly to all the people we support and that all the people we support have equal opportunities.

Charitable donations

No charitable donations were made by Bumblebee Lettings Limited for the year to 31 March 2020 (2019: £nil).

EU Political donations and expenditure

No political donations or expenditure were made for the period to 31 March 2020 (2019: £nil).

Donations to non-EU political parties

No political donations or expenditure were made for the period to 31 March 2020 (2019: £nil).

Payment policy

The Company pays suppliers where possible within suppliers' credit terms. Payments to suppliers will be made on average within 15 days of receipt of the invoice.

Statement of Directors' Responsibilities

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Remuneration Report

The Directors are defined as being the Board members of Bumblebee Lettings Limited. The Directors do not receive emoluments in their role as Directors. They are paid as executive Directors of TheBarnetGroup Limited and are entitled to reimbursement of incidental expenses incurred when attending board meetings and other formal events in their capacity as board members. The Directors are not entitled to pension benefits. These are the only transactions with the Directors of the Company.

Code of Governance

The Company has adopted the National Housing Federation's 'Code of Governance: Promoting Board Excellence for Housing Associations (2015 edition)' and confirm that the Company complies fully with the Code apart from all Directors are Executive Directors and accordingly, the Chair is not a non-executive.

Going Concern

The company's business activities, its current financial position and factors likely to affect its future development are set out in the strategic report. In preparing the financial statements on the going concern basis, the Board considered the following:

- Management has prepared forecasts (including monthly cash flows) of expected results for the 2020/21 financial year and the following year. These demonstrate that the company has sufficient resources to meet all liabilities as they fall due for the foreseeable future and for at least for the 12 months following the approval of these accounts.
- That in the event of a disorderly Brexit, the company has sufficient liquid resources and suitable mitigating actions available in the short, medium and long-term to manage the impact of increased inflation and potential increased operating costs.

- That in the event the Covid-19 crisis endures for much of the next few months, the company has sufficient liquid resources and suitable mitigating actions available in the short, medium and long-term to manage the impact on operational and financing activities.
- The London Borough of Barnet has confirmed its intention to offer support to TheBarnetGroup Limited if this is required; such support would then allow TheBarnet Group to support Bumblebee Lettings Limited if the forecasts are materially inaccurate.

The Directors have reviewed the Company's forecasts as described above and on this basis, as well as the London Borough of Barnet's stated intention to support TheBarnetGroup, the Board consider preparation of the Financial Statements on a going concern basis to be appropriate.

Auditor

Following a tender process carried out in July 2020, the Board approved the re-appointment of Grant Thornton UK LLP as auditors and Grant Thornton UK LLP has expressed their willingness to remain in office. A resolution to reappoint Grant Thornton UK LLP as auditor will be proposed at the Annual General Meeting.

Other information

The strategic report below and the remainder of these financial statements, includes important information regarding events after the year-end, Covid-19 and other relevant matter pertinent to the Association and understanding the operations and financial position of the Association. As such the entire Annual report and financial statements document should be read, not only the Report of the Directors.

Approval and signature

The report of the Directors was approved by the Board on 22 July 2020 and signed on its behalf by:



Derek Rust, Chair

3. Strategic Report

COVID-19

Firstly, myself and the entire Board wish to extend our condolences to all staff, residents and members of the communities served by The Barnet Group, who have lost loved ones to Coronavirus. The pandemic has affected our lives in so many ways. Some impacts will be temporary, but others will be longer term and permanent. We will work with all our partners to mitigate the negative impacts and continue to support our most vulnerable service users going forward.

The terrible Coronavirus that forced the lockdown of most of the UK started just before the year-end, meaning that the impact on the results for the financial year ended 31 March 2020 has been minimal. Government rules around services that could remain open and guidance to residents meant that delivering repairs services was amended to 'emergencies only' whilst Bumblebee continued to deliver its statutory compliance services.

The financial impact of the virus in the March 2021 financial year should not be too significant as the company has leases that will continue during the year, the more general economic impact from the pandemic though is likely to lead to higher rent arrears, though credit guarantee insurance will mitigate this issue substantially.

The impact on Bumblebee's ability to grow and thus improve financial results is much more difficult to determine, though an agreement to manage 54 leases from a registered social housing provider from May 2020 means there is less reliance on growth from other leases and services that Bumblebee provides.

Review of Results

The result for the year was a deficit of £116,000 (2019: £112,000 deficit). This was the second year of trading for the business and the growth achieved during the year means that profits are now achieved monthly, but were not sufficient to offset the losses from the early part of the financial year. The results are in line with the original business plan that forecast profits will be in achieved in 2020/21 and the loan repaid to Barnet Homes in 2023.

The Statement of Financial Position presents negative retained earnings of £261,000 at 31 March 2020 (2019: £145,000 deficit, adjusted for the adoption of IFRS 16).

Principal risks and uncertainties

Bumblebee Lettings Limited's principal source of income is fees from the lettings and management of properties in the private rented sector.

Key risks and uncertainties include growing the business to deliver the assumed level of lettings in the business plan, both in terms of volume of transactions and the fee paid by customers.

The lettings market has faced increased challenges during the year, with greater competition from the established agencies meaning that margins are under pressure as agents compete for the business of landlords. Though it has been confirmed that the UK will leave the EU on 31 December 2020, the exact process details of this are not known and so the impact of leaving the EU cannot be predicted with certainty but in response to current market conditions, Bumblebee has grown its product portfolio to include an acquisition and lettings service.

Taken together, the two areas of activity are performing as expected, which will enable it to eventually repay the loan to its fellow group company, Barnet Homes.

Other principal risks facing the company include a bad debt risk, which has been partially mitigated through the acquisition of rent guarantee insurance.

Key performance indicators

	Actual	Target
Units let	123	110
Units in management	131	121
Retention rate	71%	66%
Units let by let2barnet	674	625

Future Developments – Bumblebee Lettings Limited

The Company's business plan for the first five years contains growth assumptions including:

- Average annual rent inflation of 4% from 2018 to 2022
- An average business retention rate of 66% from 2019

The above assumptions are based on long-term averages of the housing market and the performance of the Company will continue to be closely monitored during its growth phase.

Approval and signature

The strategic report was approved by the Board on 22 July 2020 and signed on its behalf by:



Derek Rust, Chair

Independent auditor's report to the members of Bumblebee Lettings Limited

Opinion

We have audited the financial statements of Bumblebee Lettings Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flow and Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

Independent auditor's report to the members of Bumblebee Lettings Limited

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Bumblebee Lettings Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

**Victoria McLoughlin BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds**

16 October 2020

BUMBLEBEE LETTINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2020 £'000	2019 £'000
Revenue			
Turnover	3	1,166	445
Expenses			
Other expenses	4	<u>(1,137)</u>	<u>(540)</u>
Operating profit/(loss)	5	29	(95)
Finance charges	6	<u>(145)</u>	<u>(17)</u>
Total comprehensive loss for the period		<u><u>(116)</u></u>	<u><u>(112)</u></u>
Total comprehensive loss is attributable to:			
TheBarnetGroup Limited		<u><u>(116)</u></u>	<u><u>(112)</u></u>

The accompanying accounting policies and notes form part of these financial statements.

The above results are derived from continuing operations.

BUMBLEBEE LETTINGS LIMITED
STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020

	Note	2020 £'000	2019 £'000
ASSETS			
Tangible Assets			
Fixed Assets- Right of use assets	7	3,185	-
Current assets			
Trade and other receivables	8	291	301
Cash and cash equivalents		35	41
		<u>326</u>	<u>342</u>
Total assets		<u>3,511</u>	<u>342</u>
LIABILITIES			
Non-current liabilities	10	2,085	290
Current liabilities			
Trade and other payables	9	1,687	183
Current tax liabilities	14	-	-
		<u>1,687</u>	<u>183</u>
Total liabilities		<u>3,772</u>	<u>473</u>
Capital and reserves			
Revenue reserves		<u>(261)</u>	<u>(131)</u>
Total Equity		<u>(261)</u>	<u>(131)</u>
Total equity and liabilities		<u><u>3,511</u></u>	<u><u>342</u></u>

The financial statements were authorised and approved by the Board on 22 July 2020 and signed on its behalf by:-



Derek Rust, Chair
Company Number: 10960533

The accompanying accounting policies and notes form part of these financial statements.

BUMBLEBEE LETTINGS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020	2019
		£'000	£'000
Cash flows from operating activities			
Loss before tax		(116)	(95)
Finance costs		145	-
Depreciation	7	818	-
Decrease in trade and other receivables		10	163
Increase/(decrease) in trade and other payables		64	(300)
Net cash from operating activities		<u>921</u>	<u>(232)</u>
Cashflows from financing activities			
Loan received		-	290
Principal element of lease payments	10	(782)	-
Finance costs		(145)	(17)
Net cash from financing activities		<u>(927)</u>	<u>273</u>
Net change in cash and cash equivalents		(6)	41
Cash and cash equivalents at beginning of year		41	-
Cash and cash equivalents at end of year		<u>35</u>	<u>41</u>

The accompanying accounting policies and notes form part of the financial statements.

**BUMBLEBEE LETTINGS LIMITED
STATEMENT OF CHANGES IN EQUITY**

	Total retained earnings
	<i>£'000</i>
Balance as at 1 April 2018	(19)
Loss for the period	(112)
Balance as at 31 March 2019	<u>(131)</u>
Balance as at 1 April 2019	(131)
Adjustment from the adoption of IFRS 16	(14)
Adjusted balance as at 1 April 2019	<u>(145)</u>
Loss for the period	(116)
Balance as at 31 March 2020	<u><u>(261)</u></u>

The accompanying accounting policies and notes form part of the financial statements.

BUMBLEBEE LETTINGS LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2020

1. LEGAL STATUS AND STATEMENT OF COMPLIANCE WITH IFRS

Bumblebee Lettings Limited is a company within the Barnet Group. The Company is incorporated and domiciled in England and Wales. The address of the registered office is 2 Bristol Avenue, Colindale, London N9 4EW.

The company registration number is 10960533.

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and as developed and published by the International Accounting Standards Board (IASB) and on a historical cost basis.

Implementation of new accounting standards and policies.

IAS 8.30 requires entities to disclose Standards issued but not yet effective that they will apply in the future. As part of this disclosure, entities must provide known or reasonably estimable information relevant to assessing the possible impact the new IFRS will have on their financial statements in the period of initial application. For new or amended IFRS or Interpretations that are expected to have a material impact, entities should consider disclosing the title of the new IFRS Standard, the nature of the expected change in accounting policy, the effective date of the Standard, and the date at which the entity intends to first apply the Standard (IAS 8.31). Where there is not expected to be a material impact, it is not necessary to do this, and doing so may actually contribute to disclosure overload. At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Implementation of new accounting standards and policies
IFRS 16 'Leases'

IFRS 16 'Leases' replaces IAS 17 'Leases'. It makes major changes to the previous guidance on the classification and measurement of operating leases.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating lease liabilities. The new Standard has been applied using the modified retrospective approach, with the cumulative retrospective effect of adopting IFRS16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

On transition to IFRS 16, the incremental borrowing rate applied to lease liabilities was 6% which is the rate applicable to the loan the company has.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of the initial application of IFRS 16, being 1 April 2019. At this date the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

BUMBLEBEE LETTINGS LIMITED**1. LEGAL STATUS AND STATEMENT OF COMPLIANCE WITH IFRS CONTINUED**

The following is a reconciliation of the financial statement line items from IAS 17 to IFRS 16 at 1 April 2019:

	Carrying amount at 1 April 2019	Reclassification	IFRS 16 carrying amount at 1 April 2019
	£000	£000	£000
Right of use assets	-	969	969
Lease Liabilities	-	983	983
Reserves	(131)	(14)	(145)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of preparation**

These financial statements are for the year ended 31 March 2020 and are presented in British Pounds Sterling to the nearest thousand.

The financial statements have been prepared in accordance with IFRS as adopted for use in the European Union, and under the historical cost convention.

The principal accounting policies of the Company are set out below and have been consistently applied.

Going Concern

The company's business activities, its current financial position and factors likely to affect its future development are set out in the strategic report. In preparing the financial statements on the going concern basis, the Board considered the following:

- Management has prepared forecasts (including monthly cash flows) of expected results for the 2020/21 financial year and the following year. These demonstrate that the company has sufficient resources to meet all liabilities as they fall due for the foreseeable future and for at least for the 12 months following the approval of these accounts.
- That in the event of a disorderly Brexit, the company has sufficient liquid resources and suitable mitigating actions available in the short, medium and long-term to manage the impact of increased inflation and potential increased operating costs.
- That in the event the Covid-19 crisis endures for much of the next few months, the company has sufficient liquid resources and suitable mitigating actions available in the short, medium and long-term to manage the impact on operational and financing activities.
- The London Borough of Barnet has confirmed its intention to offer support to TheBarnetGroup Limited if this is required; such support would then allow TheBarnet Group to support Bumblebee Lettings Limited if the forecasts are materially inaccurate.

The Directors have reviewed the Company's forecasts as described above and on this basis as well as the London Borough of Barnet's stated intention to support TheBarnetGroup, the Board consider preparation of the Financial Statements on a going concern basis to be appropriate.

Significant management judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

BUMBLEBEE LETTINGS LIMITED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the organisation that have the most significant effect on the amounts recognised in the financial statements:

Extension options for leases:

All leases can be extended with both lessee and lessor agreement. Management has not assumed any leases will be extended beyond their contract period.

Lease borrowing rate:

Management has used the company's incremental borrowing rate when calculating the Right of use asset value and corresponding lease liability.

Turnover and Revenue recognition

Turnover comprises of letting and management fees from private landlords, contract with customers that generate rental income from leased properties and project fees.

Rental income is recognised from the point when the property is leased, net of voids and fee income is at the point of delivery of service.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

VAT

A proportion of the company's revenue is subject to VAT and gives rise to a partial exemption claim. The financial statements include VAT to the extent that it is suffered by the group and not recoverable from HM Revenue and Customs. Amount of VAT payable or recoverable at the year-end is included as a current liability or asset.

Impairment

Right of use assets are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the lease's carrying amount to its recoverable amount. Where the carrying amount of a lease is deemed to exceed its recoverable amount, the lease is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure.

Depreciation

Right of use assets are depreciated over the life of the lease.

BUMBLEBEE LETTINGS LIMITED**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED****Leases**

For any new contracts entered into on or after 1 April 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract or part of a contract, that conveys a right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company;
- the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the company has the right to direct the use of the identified asset throughout the period of use. The company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the company recognises a right of use asset and a lease liability on the Statement of Financial Position. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The company depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The company also assesses the right of use asset for impairment when such indicators exist.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that is readily available or the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are any changes in in-substance lease payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

The company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payment in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the Statement of Financial Position, right of use assets and lease liabilities have been separately identified.

Trade and other receivables

Trade and other receivables are measured at transaction price, less any impairment.

Trade and other payables

Trade and other payables are measured at the transaction price.

BUMBLEBEE LETTINGS LIMITED**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED****Equity and reserves**

Retained earnings include all current retained results.

Provisions, contingent liabilities and contingent assets

Provisions and contingent liabilities are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material. The company has no contingent assets.

3. REVENUE

Revenue is attributable to the principal activity of the company and arises solely within the United Kingdom.

	2020	2019
	£'000	£'000
Rent receivable	1,005	202
Management fees	30	12
Other income	131	231
	1,166	445

4. OTHER EXPENSES

	2020	2019
	£'000	£'000
Rent payable to landlords	-	174
Repairs and maintenance	86	218
Salary recharges	94	44
Advertising and marketing	33	82
Auditor's remuneration		
- statutory audit	6	5
- non-audit services	-	6
Depreciation	818	-
Other management costs	100	11
	1,137	540

There are no employees of the company apart from the Directors shown on page 2. No remuneration was paid to the Directors in the year under review. As Executive officers of the parent company, salaries are paid by Barnet Homes Limited to these Directors.

BUMBLEBEE LETTINGS LIMITED**5. OPERATING LOSS FOR THE YEAR**

The results for the period has been arrived at after charging the following:

	2020	2019
	£'000	£'000
Depreciation	818	-
Auditor's remuneration		
- Fees payable to the company's auditors for the audit of the financial statements	6	5
- Fees payable to the company's auditors for tax compliance	-	6
	<u> </u>	<u> </u>

6. FINANCE CHARGES

	2020	2019
	£'000	£'000
Loan interest payable and other charges	19	17
Lease finance costs	126	-
	<u> </u>	<u> </u>
	<u>145</u>	<u>17</u>

BUMBLEBEE LETTINGS LIMITED**7. RIGHT OF USE ASSETS**

	Right of use assets £'000	Total £'000
Gross carrying amount		
Balance 1 April 2019	-	-
IFRS 16 transition adjustment	969	969
Additions	3,034	3,034
	<hr/>	<hr/>
Balance 31 March 2020	4,003	4,003
	<hr/>	<hr/>
Accumulated Depreciation		
Balance 1 April 2019	-	-
Charge for year	818	818
	<hr/>	<hr/>
Balance 31 March 2020	818	818
	<hr/>	<hr/>
Carrying amount 1 April 2019	-	-
	<hr/>	<hr/>
Carrying amount 31 March 2020	<u>3,185</u>	<u>3,185</u>

The above right of use assets comprises leases for 106 residential homes.

BUMBLEBEE LETTINGS LIMITED
8. TRADE AND OTHER RECEIVABLES

	2020	2019
	£'000	£'000
Amounts due within one year:		
Trade receivables	159	273
Less: Bad debt provision	(26)	-
Prepayments	124	28
Amounts due from group companies	28	-
Other receivables	6	-
	291	301

9. TRADE AND OTHER PAYABLES

	2020	2019
	£'000	£'000
Amounts due within one year:		
Trade payables	141	175
Lease liabilities- less than one year	1,390	-
Amounts due to group companies	156	6
Other payables	-	2
	1,687	183

The Company aims to pay all suppliers within the contract or invoice payment terms and within the limits set by the late payment legislation.

10. NON-CURRENT LIABILITIES

	2020	2019
	£'000	£'000
IFRS 16 opening balance adjustment- Lease liabilities	983	-
New leases during current year	3,034	-
Less: lease payments in the year	(782)	-
Less: lease liabilities payable in less than one year	(1,390)	-
Total lease liabilities payable in more than one year	1,845	-
Amounts due to group companies	240	290
	2,085	290

BUMBLEBEE LETTINGS LIMITED
10. NON-CURRENT LIABILITIES (continued)

	Minimum lease payments due				Total
	Within 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2020					
Lease payments	1,544	1,303	594	36	3,477
Finance charges	154	72	15	1	242
Net present value	1,390	1,231	579	35	3,235

	Minimum lease payments due				Total
	Within 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2019					
Lease payments	427	416	215	-	1,058
Finance charges	47	24	4	-	75
Net present value	380	392	211	-	983

11. EQUITY

Share capital

	2020	2019
	£	£
Called up and fully paid	1	1

The share capital of the company consists of 1 share with a nominal value of £1. The shares are owned by TheBarnetGroup Limited.

12. RELATED PARTY TRANSACTIONS

Transaction with related parties

	2020	2019
	£'000	£'000
Amount owed to Barnet Homes Limited	156	6
Amount due from Barnet Homes Limited	36	-
Invoices from Barnet Homes Limited	171	-
Invoices to Barnet Homes Limited	36	-
Amount owed to TheBarnetGroup Limited	12	-
Invoices from TheBarentGroup Limited	10	-
Invoices to TheBarnetGroup Limited	7	-
Amount owed to TBG Open Door Limited	8	-
Invoices from TBG Open Door Limited	8	-

Bumblebee Letting Limited is a wholly owned subsidiary of TheBarnetGroup Limited, a local authority controlled trading company wholly owned by London Borough of Barnet.

BUMBLEBEE LETTINGS LIMITED**13. FINANCIAL ASSETS AND LIABILITIES**

The carrying amounts presented in the statement of financial position relates to the following categories of assets and liabilities:

	Note	2020 £'000	2019 £'000
Financial Assets			
Trade and other receivables	8	291	301
Cash and cash equivalents		35	41
		326	342
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Trade and other payables	9	1,687	183
Long-term lease liabilities	10	1,845	-
		3,532	183

BUMBLEBEE LETTINGS LIMITED**14. TAXATION****Tax charge per accounts**

	Current period		Prior period	
	Derived	Accounts	Derived	Accounts
	£'000	£'000	£'000	£'000
Analysis of tax charge/(credit) for the period				
Current tax				
UK corporation tax at 19.00% (PY: 19.00%)	-	-	-	-
Deferred tax				
Origination and reversal of temporary differences	-	-	-	-
Tax on profit on ordinary activities				
Provision for deferred tax				
Movement in Provision:				
Provision at start of period	-	-	-	-
Deferred tax charged in the income statement for the period	-	-	-	-
Provision at end of the period	-	-	-	-
Deferred tax (asset)/liability not recognised	(47)	(47)	(22)	(22)
Reconciliation of tax charge				
Loss on ordinary activities before tax	(116)	(116)	(112)	(112)
Tax on loss on ordinary activities at standard CT rate of 19.00% (PY:19.00%)	(22)	(22)	(21)	(21)
Effects of:				
Fixed asset differences	155	155	-	-
Income not taxable for tax purposes	(155)	(155)	-	-
Adjust closing deferred tax to average rate of 19.00%	-	-	2	2
Adjust opening deferred tax to average rate of 19.00%	(3)	(3)	-	-
Deferred tax not recognised	25	25	19	19
Tax charge/(credit) for the period	-	-	-	-