

Hypo Property Investment Limited

**Directors' report and financial
statements**

2486729

31 December 2015



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

Principal activity, business review and future prospects

Historically, the principal activity of the Hypo Property Investment Limited ("the Company") consisted of investment in commercial property. In the financial year, the Company holds a minority investment in a related subsidiary. The results for the year ended 31 December 2015 are summarised in income statement account on page 5. The Company is a wholly owned subsidiary of Flint Nominees Limited ("Parent").

The directors remain positive regarding the future of the Company.

Dividends

No ordinary dividend (2014: £nil) was paid during the year.

Directors

The directors who have served since 1 January 2015 were:

J Lars-Hendrik Busch	Appointed 11 September 2015 to Hypo Property Investment Limited
Dr. A Faatz	Appointed 15 October 2015 to Hypo Property Investment Limited
C Falkner	Appointed as an alternate director 10 August 2016 to Hypo Property Investment Limited
T Muent	Appointed as an alternate director 11 September 2015 to Hypo Property Investment Limited
	Resigned 10 August 2016 from Hypo Property Investment Limited
Dr. F O Lehmann	Resigned 10 October 2015 from Hypo Property Investment Limited
M Perez-Durantez	Appointed 22 April 2014 to Hypo Property Investment Limited
	Resigned 11 September 2015 from Hypo Property Investment Limited

There were no other changes to the board of directors between the 31 December 2015 and the date of this directors' report than those noted above.

All directors benefited from qualifying third party indemnity insurance in place during the financial year and at the date of this report.

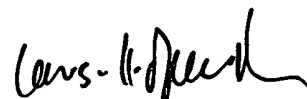
Disclosure of information to the auditor


The directors who held office at the date of approval of this directors' report confirm that, so far as each is aware, there is no relevant audit information of which the Company's auditors is aware; and each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


J Lars-Hendrik Busch
Director


Dr. A Faatz
Director

20-22 Bedford Row
London
WC1R 4JS

29/09/ 2016

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Hypo Property Investment Limited

We have audited the financial statements of Hypo Property Investment Limited for the year ended 31 December 2015 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter[s] prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

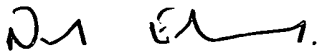
- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Hypo Property Investment Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Nicholas Edmonds (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
30 September 2016

Income Statement

for the year ended 31 December 2015

	<i>Notes</i>	2015 £	2014 £
Interest receivable and similar income	3	1,660	1,567
Income (loss) relating to investments	5	-	(1)
Profit on ordinary activities before taxation		1,660	1,566
Tax on profit on ordinary activities		-	-
Profit for the financial year		1,660	1,566

The Company has not recognised gains or losses other than the profit (2014: *profit*) appearing in the income statement.

The notes on pages 7 to 10 form an integral part of these financial statements.

Balance Sheet
at 31 December 2015

	<i>Notes</i>	2015 £	2014 £
Fixed assets			
Investments	5	1	1
		<hr/>	<hr/>
		1	1
Current assets			
Cash at bank and in hand	6	-	-
Debtors	7	289,860	288,200
		<hr/>	<hr/>
		289,860	288,200
Creditors: amounts falling due within one year	8	-	-
		<hr/>	<hr/>
Net current assets		289,860	288,200
		<hr/>	<hr/>
Net assets		289,861	288,201
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	200,000	200,000
Profit and loss account		89,861	88,201
		<hr/>	<hr/>
Shareholders' funds		289,861	288,201
		<hr/>	<hr/>

The notes on pages 7 to 10 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 29/09/ 2016 and signed on their behalf by:


Dr. A Faatz
 Director

Notes

(forming part of the financial statements)

1. General Information

Hypo Property Investment Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 20-22 Bedford Row, London, WC1R 4JS.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared in accordance with the regulations of FRS 102 section 1A "Small Entities" and on the historical cost basis.

Financial Year 2015 is the first year that the Company has presented its results under FRS 102 section 1A "Small Entities". The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. In context of the first time adoption of the new standard FRS 102 no transition effects occurred and no comparative prior year amounts had to be restated.

The financial statements are presented in Sterling (£).

The audit fee of these financial statements is borne by the Parent undertaking in both the current and preceding financial years and in the amount of £1,200 (2014: £1,200).

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised without discounting in respect of all timing differences between the treatment of certain items for accounting and taxation purposes which have arisen but not reversed by the balance sheet date.

Investments

Investments are stated at cost less provision for impairment.

Notes (continued)

3. Interest receivable and similar income

	2015 £	2014 £
Interest receivable from Parent undertaking	<u>1,660</u>	<u>1,567</u>

4. Remuneration of directors

The directors received no emoluments for services provided to the Company.

All directors benefited from qualifying third party indemnity insurance provided by another group company.

5. Investments

Investment in fellow subsidiary undertaking:

	2015 £	2014 £
As at 1 January and 31 December	<u>1</u>	<u>1</u>

The £1 investment is represented by 0.001% of the issued ordinary share capital of a fellow subsidiary, Hypo Property Services Limited, a property management company registered in England and Wales. The remaining shares are held by the Parent undertaking. As at 31 December 2015 the aggregate share capital and reserves of Hypo Property Services Limited was a surplus of £114,948 (2014: £114,421) and its profit for the year to 31 December 2015 was £527 (2014: £308).

Investment in joint venture:

	2015 £	2014 £
As at 1 January	-	1
Disposals	-	(1)
As at 31 December	<u>-</u>	<u>-</u>

Historically, the joint venture is a participation in Two Orchards Holdings Limited, a company which wholly owns a property investment company. In Financial Year 2010, the equity participation was purchased from Hypo Property Participation Ltd. (HPPL) at a nominal value of £1 representing 500 shares. After the shares were transferred, HPPL was subsequently dissolved on 31st August 2010. On the 18 May 2011, Two Orchards Limited, the wholly owned subsidiary company of Two Orchards Holdings Limited, was placed into administration with Grant Thornton.

Notes (continued)

On 27 November 2013, the Two Orchards Holdings Ltd entered into an agreement to sell its interests in Two Orchards Ltd to a third party. Two Orchards Holdings Limited is not currently in administration, as it has no assets or liabilities and is likely to be struck off the register after consultation has been completed with the Joint Venture partner of Two Orchards Holdings Limited. On 07 October 2014, Two Orchards Holdings Limited was dissolved and the related investment was written down from £1 to zero.

6. Cash at bank and in hand

The cash at bank balance as at 31 December 2015 is £0 (2014:£ 0).

7. Debtors

	2015 £	2014 £
Amounts owed by Parent undertaking	289,860	288,200
	<u>289,860</u>	<u>288,200</u>

8. Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts owed to Parent undertaking	-	-
Corporation tax	-	-
	<u>-</u>	<u>-</u>

9. Called up share capital

	2015 £	2014 £
Authorised:		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
Allotted as nil paid:		
1,800,000 ordinary shares of £1 each	1,800,000	1,800,000
	<u>1,800,000</u>	<u>1,800,000</u>
Allotted, called up and fully paid:		
200,000 ordinary shares of £1 each	200,000	200,000
	<u>200,000</u>	<u>200,000</u>

Notes *(continued)*

10. Ultimate parent company

The Company is a wholly owned subsidiary of Flint Nominees Limited. The ultimate parent undertaking, FMS Wertmanagement AöR, is an independent public institution incorporated in Germany and under the regulation of the German Financial Markets Stabilisation Agency ("FMSA") and the Federal Financial Supervisory Authority ("BaFin"). Since Flint Nominees Limited and FMS Wertmanagement AöR are not required to prepare consolidated financial statements, the Company is not included in any consolidated accounts.