

**Hypo Property Investment Limited**

**Directors' report and financial  
statements**

**2486729**

**31 December 2014**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

### Principal activity, business review and future prospects

Historically, the principal activity of the Company consisted of investment in commercial property. In the financial year, the Company holds a minority investment in a related subsidiary and a 50% ownership stake in a Joint Venture. The results for the year ended 31 December 2014 are summarised in the profit and loss account on page 6.

The directors remain positive regarding the future of the Company.

### Dividends

No ordinary dividend (2013: £nil) was paid during the year.

### Directors

The directors who have served since 1 January 2014 were:

Dr. F O Lehmann	
J Lars-Hendrik Busch	Appointed 11 September 2015 to Hypo Property Investment Limited
T Muent	Appointed as an alternate director 11 September 2015 to Hypo Property Investment Limited
M de Greiff	Resigned 22 April 2014 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 2014 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 that he ought to have taken as a director to make himself aware of any 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

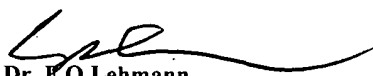


**J Lars-Hendrik Busch**  
*Director*

105 Wigmore Street  
London

W1U 1QY

28.09. 2015



**Dr. F O Lehmann**  
*Director*

## **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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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 ('the Company') for the year ended 31 December 2014 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 Director's 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 APB's website at <https://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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

**Independent auditors' 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 Audit Plc, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
30 September 2015

**Profit and loss account**  
*for the year ended 31 December 2014*

	<i>Notes</i>	<b>2014</b> £	<b>2013</b> £
Interest receivable and similar income	2	1,567	248
Interest payable and similar charges	2	-	-
Income (loss) relating to investments	5	(1)	-
<b>Profit on ordinary activities before taxation</b>		<b>1,566</b>	<b>248</b>
Tax on profit on ordinary activities	4	-	-
<b>Profit for the financial year</b>		<b>1,566</b>	<b>248</b>

The Company has no recognised gains or losses other than the gain (2013: *profit*) appearing in the profit and loss account.

The notes on pages 9 to 13 form an integral part of these financial statements.



**Reconciliation of movements in shareholders' funds**  
*year ended 31 December 2014*

	2014 £	2013 £
<b>Profit attributable to shareholders of the company</b>	<b>1,566</b>	<b>248</b>
<b>Net increase to shareholders' funds</b>	<b>1,566</b>	<b>248</b>
Opening shareholders' funds	<b>286,635</b>	<b>286,387</b>
<b>Closing shareholders' funds</b>	<b>288,201</b>	<b>286,635</b>

The notes on pages 9 to 13 form an integral part of these financial statements.

**Balance sheet**  
*at 31 December 2014*

	<i>Notes</i>	<b>2014</b> £	<b>2013</b> £
<b>Fixed assets</b>			
Investments	5	1	2
		<hr/>	<hr/>
		1	2
<b>Current assets</b>			
Cash at bank and in hand	6	-	-
Debtors	7	288,200	286,633
		<hr/>	<hr/>
		288,201	286,633
<b>Creditors: amounts falling due within one year</b>	8	-	-
		<hr/>	<hr/>
<b>Net current assets</b>		288,201	286,633
		<hr/>	<hr/>
<b>Net assets</b>		288,201	286,635
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	9	200,000	200,000
Profit and loss account		88,201	86,635
		<hr/>	<hr/>
<b>Shareholders' funds</b>		288,201	286,635
		<hr/>	<hr/>

The notes on pages 9 to 13 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 28.09. 2015 and signed on their behalf by:



**J Lars-Hendrik Busch**  
*Director*



**Dr. F O Lehmann**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 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*

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under the historical cost accounting rules.

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary, the company's voting rights are controlled by its' Parent, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Flint Nominees Limited, within which this Company is included, can be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The audit fee of these financial statements is borne by the parent undertaking in both the current and preceding financial years and the amount borne by the parent undertaking on behalf of the Company was £1,200 (2013: £1,200). The parent undertaking produces consolidated financial statements and these consolidated accounts disclose the amounts borne by the group to the auditors for audit and other services.

#### *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.

### 2 Interest receivable and similar income

	2014 £	2013 £
Interest receivable from parent undertaking	1,567	248
Interest payable to parent undertaking	-	-
	<hr/> 1,567 <hr/>	<hr/> 248 <hr/>

## Notes (continued)

### 3 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.

### 4 Tax charge (credit) on loss on ordinary activities

Analysis of charge in period

	2014 £	2013 £
UK corporation tax	-	-
Current tax credit	-	-
Tax credit on loss on ordinary activities	-	-

Factors affecting tax charge for period

The tax assessed for the period is lower (2013: lower) than the standard rate of corporation tax in the UK – 21.49% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Current tax reconciliation		
Profit/(Loss) on ordinary activities before tax	1,566	248
Current tax at 21.49% (2013: 23.2500%)	337	57
Effects of:		
Cost not allowable for taxation or tax losses	-	-
Utilisation of tax losses	(337)	(57)
Total current tax credit (see above)	-	-

The headline rate of UK corporation tax reduced from 23% to 21% on 1 April 2014 and to 20% on 1 April 2015. A further rate reduction of 2% was announced on 8 July 2015 which will reduce the tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 respectively. It is expected that these changes will be included in the Summer Finance Bill 2015. However, as these proposed reductions of the corporation tax rate to 19% and 18% were not enacted or substantively enacted at the balance sheet date, there is no impact on the tax balances at 31 December 2014.

A deferred tax asset representing tax losses brought forward of £1,034,403 (2013: £1,035,971) has not been recognised as the current projection does not suggest that there will be sufficient future taxable profits available against which the losses can be utilised

## Notes (continued)

### 5 Investments

#### Investment in fellow subsidiary undertaking:

	2014 £	2013 £
As at 1 January and 31 December	1	1

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 Flint Nominees Limited, the parent undertaking. As at 31 December 2014 the aggregate share capital and reserves of Hypo Property Services Limited was a surplus of £114,421 (2013: £114,113) and its profit for the year to 31 December 2014 was £308 (2013: £450).

#### Investment in joint venture:

	2014 £	2013 £
As at 1 January	1	1
Disposals	(1)	-
As at 31 December	-	1

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 31<sup>st</sup> 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.

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.

**Notes (continued)**

**6 Cash at bank and in hand**

The cash at bank balance as at 31 December 2014 is £0 (2013:£ 0).

**7 Debtors**

	2014 £	2013 £
Amounts owed by parent undertaking	288,200	286,633
	<u>288,200</u>	<u>286,633</u>

**8 Creditors: amounts falling due within one year**

	2014 £	2013 £
Amounts owed to parent undertaking	-	-
Corporation tax	-	-
	<u>-</u>	<u>-</u>

**9 Called up share capital**

	2014 £	2013 £
<b>Authorised:</b> 2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
<b>Allotted as nil paid:</b> 1,800,000 ordinary shares of £1 each	1,800,000	1,800,000
<b>Allotted, called up and fully paid:</b> 200,000 ordinary shares of £1 each	200,000	200,000

**Notes** *(continued)*

**10 Ultimate parent company**

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"). The requirements of this regulation do not require FMS Wertmanagement AöR to prepare consolidated financial statements.

The largest group and smallest group in which the Company is consolidated is that headed by Flint Nominees Limited, a company registered in England and Wales. The consolidated accounts of Flint Nominees Limited are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.