

EUROPEAN PROPERTY DEVELOPMENT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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EUROPEAN PROPERTY DEVELOPMENT LIMITED

COMPANY INFORMATION

Director	P Patel
Company secretary	Capa Accounting Services Limited
Registered number	04273402
Registered office	19 Dixons Hill Close, Welham Green North Mymms Hatfield Hertfordshire AL9 7EF
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

EUROPEAN PROPERTY DEVELOPMENT LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Investments	5	2,640,334	2,640,334
		<u>2,640,334</u>	<u>2,640,334</u>
Current assets			
Debtors: amounts falling due within one year	6	3,151,116	3,366,535
Cash at bank and in hand		-	300
		<u>3,151,116</u>	<u>3,366,835</u>
Creditors: amounts falling due within one year	7	(8,291,364)	(8,295,208)
Net current liabilities		<u>(5,140,248)</u>	<u>(4,928,373)</u>
Total assets less current liabilities		<u>(2,499,914)</u>	<u>(2,288,039)</u>
Net liabilities		<u>(2,499,914)</u>	<u>(2,288,039)</u>
Capital and reserves			
Called up share capital	8	20,000	20,000
Profit and loss account		(2,519,914)	(2,308,039)
Total equity		<u>(2,499,914)</u>	<u>(2,288,039)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf

P Patel

Director

Date: 5 May 2023

The notes on pages 5 to 11 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	20,000	(2,308,039)	(2,288,039)
Comprehensive income for the year			
Loss for the year	-	(211,875)	(211,875)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(211,875)	(211,875)
Total transactions with owners	-	-	-
At 31 December 2021	20,000	(2,519,914)	(2,499,914)

The notes on pages 5 to 11 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	20,000	(2,668,091)	(2,648,091)
Comprehensive income for the year			
Profit for the year	-	360,052	360,052
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	360,052	360,052
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2020	20,000	(2,308,039)	(2,288,039)

The notes on pages 5 to 11 form part of these financial statements.

1. General information

European Property Development Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is 19 Dixons Hill Close, Welham Green, North Mymms, Hatfield, Hertfordshire, AL9 7EF.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has a deficiency on shareholders funds at the end of the year. The directors consider this basis to be appropriate as the company has received a letter of financial support from its ultimate beneficial owner.

2.3 Fixed asset 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 losses are recognised immediately in profit and loss account.

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under contractual arrangement are classified as jointly controlled entities.

2.4 Accounting for Associate

The company, its directors and ultimate beneficial owner do not have the power to participate in the financial and operational decisions of the associate, Wolf Immobilien Polen Spolka Akcyjna. The results of the associate are therefore not reported using the Equity Method of Accounting in these financial statements. The investment in the associate is reported at cost, less any impairment losses in accordance with Note 2.3.

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

2. Accounting policies (continued)

Financial instruments (continued)

Basic financial assets, including other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors are required to exercise judgement in applying accounting policies and make estimates which may materially impact the financial statements. Significant judgements and sources of estimation uncertainty are outlined below.

Impairment of investment

The company recognises the investment in its associate at cost less impairment. On a periodic basis management reviews the investment for signs of impairment by assessing both the profit and net assets of its associate in the year and compares this to the cost in the company's financial statements to determine if there is an impairment is needed. The director does not consider this a key source of estimation uncertainty as the associate's financial statements are readily available.

Recoverability of debtors

Bad debt provisions are assessed by management by evaluating the recoverability of each debtor. Where an amount is deemed irrecoverable a bad debt provision will be made. The director does not consider this a key source of estimation uncertainty as the financial status of the debtors are known to the management team and, if needed, an appropriate bad debt expense will be recognised.

4. Employees

The average monthly number of employees, including directors, during the year was 1 (2020 - 1).

5. Fixed asset investments

	Investments in associates £
Cost	
At 1 January 2021	2,640,334
At 31 December 2021	<u>2,640,334</u>

Participating interests

The company owns 46.94% (2020 : 46.94%) of the shares of Wolf Immobilien Polen Spolka Akcyjna. The investment is reported at cost, less any impairment losses of revaluations; which are reported through the profit and loss account.

The results of the associate are not reported in accordance with the Equity Accounting Method as the company, its directors and the ultimate beneficial owner do not have significant influence over the associate and do not have the power to participate in the financial and operational decisions of the associate.

No dividends were received from the associate in the year (2020 : NIL).

6. Debtors

	2021 £	As restated 2020 £
Amounts owed by group undertakings	44,366	41,873
Amounts owed and associated undertakings (Note 9)	3,018,979	3,229,057
Other debtors	87,771	88,235
Prepayments and accrued income	-	7,370
	<u>3,151,116</u>	<u>3,366,535</u>

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	17,184	18,555
Amounts owed to group undertakings	-	4,877
Other creditors	8,240,919	8,247,313
Accruals and deferred income	33,261	24,463
	<u>8,291,364</u>	<u>8,295,208</u>

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

8. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
20 Ordinary shares of £1,000 each	<u>20,000</u>	<u>20,000</u>

9. Prior year adjustmentAdjustment to balance due from parent company

The 2021 comparatives have been restated in order to recognise the balance due from the parent company. The correction has resulted in a reduction of net liabilities of £41,873. The tax charge for the prior year has not changed as a result of the adjustment.

10. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions with (other) related parties are as follows:

Relationship	Transaction	Amount due (to)/from related parties			
		Amount		2021	2020
		2021 £	2020 £	2021 £	2020 £
Associate	Loan	(80,126)	(11,752)	1,004,515	1,084,641
	Accrued interest	(129,953)	(119,937)	2,014,464	2,144,417
Parent	Loan	2,493	41,873	44,366	41,873
Common control	Loan	1,371	201	(17,184)	(18,555)
Ultimate beneficial owner	Loan	14,706	328,597	(8,230,815)	(8,245,521)

Amounts owed by the associate bear an interest of 2.21%, are denominated in PLN and EUR and payable on demand.

Amounts owed by the parent are interest free, denominated in GBP and payable on demand.

Amounts owed to a company under common control are interest free, denominated in PLN and payable on demand.

Amounts owed to the ultimate beneficial owner are interest free, are denominated in PLN, EUR, USD, GBP and CHF and are payable on demand.

The ultimate beneficial owner has confirmed that he will continue to support the company for a period of twelve months from the date of signing these financial statements, and will require repayment of the loan only if the cash flow of the company is sufficient to fund the repayment.

11. Parent undertaking

The ultimate parent undertaking is Wolw Trading Establishment. Its registered office is Bahnhofstrasse 7, POB 48, fl-9494 Schaan, Liechtenstein.

12. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 5 May 2023 by Heather Powell (Senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.