

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2014
for
Hires Research Limited

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Hires Research Limited

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for the Year Ended 31 December 2014

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Hires Research Limited
Company Information
for the Year Ended 31 December 2014

DIRECTORS:

M Tognarelli
M Abramson
R Smith

REGISTERED OFFICE:

8 Hanover Street
London
W1S 1YQ

REGISTERED NUMBER:

07134220 (England and Wales)

**SENIOR STATUTORY
AUDITOR:**

Eric Newnham

AUDITORS:

Newnham & Co
Statutory Auditor
65 Morden Hill
London
SE13 7NP

Hires Research Limited

Strategic Report
for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

Hires Research Limited exists solely to provide research services to its German parent company. Its income stream is derived purely from the parent company, sufficient to cover the operational costs, and the directors are of the opinion that there is no reason to believe that this will not continue for the foreseeable future.

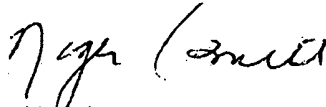
REVIEW OF BUSINESS

During the year, the company provided Research services to a value of £881,000 to the German parent, which was an increase of around £31,000 on the previous year. The Directors are of the opinion that this level of turnover will be sustained for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risk facing the company is that the German parent will no longer require the research services of the UK subsidiary, Hires Research Limited. With effect from March 2015, all UK based companies in the group are moving to new premises, indicating that it is the intention that the operations of the UK based companies and branches will continue.

ON BEHALF OF THE BOARD:



R Smith Director

Date: 21 September 2015

Hires Research Limited

Report of the Directors
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

M Tognarelli
M Abramson
R Smith

FINANCIAL INSTRUMENTS

The company enters into no complex financial instruments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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.

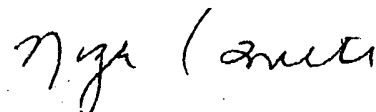
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Newnham & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



R Smith - Director

Date: 21 September 2015

Report of the Independent Auditors to the Members of
Hires Research Limited

We have audited the financial statements of Hires Research Limited for the year ended 31 December 2014 on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 United Kingdom 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 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.

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.



Eric Newnham (Senior Statutory Auditor)
for and on behalf of Newnham & Co
Statutory Auditor
65 Morden Hill
London
SE13 7NP

Date: 21 September 2015

Hires Research Limited

Profit and Loss Account
for the Year Ended 31 December 2014

	Notes	31.12.14 £	31.12.13 £
TURNOVER		881,814	849,212
Administrative expenses		<u>801,654</u>	<u>774,185</u>
OPERATING PROFIT	3	80,160	75,027
Interest receivable and similar income		<u>59</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		80,219	75,027
Tax on profit on ordinary activities	4	<u>17,615</u>	<u>15,587</u>
PROFIT FOR THE FINANCIAL YEAR		<u>62,604</u>	<u>59,440</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

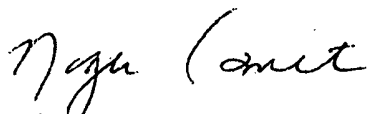
The notes form part of these financial statements

Hires Research Limited (Registered number: 07134220)

Balance Sheet
31 December 2014

	Notes	31.12.14 £	31.12.13 £
CURRENT ASSETS			
Debtors	5	631,330	494,393
Cash at bank		<u>189,164</u>	<u>83,664</u>
		820,494	578,057
CREDITORS			
Amounts falling due within one year	6	<u>578,830</u>	<u>398,997</u>
NET CURRENT ASSETS		<u>241,664</u>	<u>179,060</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>241,664</u>	<u>179,060</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account	8	<u>241,564</u>	<u>178,960</u>
SHAREHOLDERS' FUNDS	11	<u>241,664</u>	<u>179,060</u>

The financial statements were approved and authorised for issue by the Board of Directors on 21 September 2015 and were signed on its behalf by:



R Smith - Director

The notes form part of these financial statements

Hires Research Limited

Cash Flow Statement
for the Year Ended 31 December 2014

	Notes	31.12.14 £	31.12.13 £
Net cash inflow from operating activities	1	123,086	82,440
Returns on investments and servicing of finance	2	59	-
Taxation		<u>(17,645)</u>	<u>(15,587)</u>
Increase in cash in the period		<u>105,500</u>	<u>66,853</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase in cash in the period		<u>105,500</u>	<u>66,853</u>
Change in net funds resulting from cash flows		<u>105,500</u>	<u>66,853</u>
Movement in net funds in the period		105,500	66,853
Net funds at 1 January		<u>83,664</u>	<u>16,811</u>
Net funds at 31 December		<u>189,164</u>	<u>83,664</u>

The notes form part of these financial statements

Hires Research Limited

Notes to the Cash Flow Statement
for the Year Ended 31 December 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.14	31.12.13
	£	£
Operating profit	80,160	75,027
Decrease/(increase) in debtors	(136,937)	(142,382)
(Decrease)/increase in creditors	<u>179,863</u>	<u>149,795</u>
Net cash inflow from operating activities	<u>123,086</u>	<u>82,440</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.14	31.12.13
	£	£
Returns on investments and servicing of finance		
Interest received	<u>59</u>	<u>-</u>
Net cash inflow for returns on investments and servicing of finance	<u>59</u>	<u>-</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.14	Cash flow	At
	£	£	31.12.14
			£
Net cash:			
Cash at bank	<u>83,664</u>	<u>105,500</u>	<u>189,164</u>
	<u>83,664</u>	<u>105,500</u>	<u>189,164</u>
Total	<u>83,664</u>	<u>105,500</u>	<u>189,164</u>

The notes form part of these financial statements

Hires Research Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with the parent company and wholly owned subsidiaries within the group.

Turnover

Turnover represents amounts receivable from the German parent undertaking for the provision of research services, exclusive of VAT. Turnover is calculated as attributable costs plus 10% in accordance with inter-company agreement between this company and the parent.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. STAFF COSTS

	31.12.14	31.12.13
	£	£
Wages and salaries	626,764	533,020
Other pension costs	<u>8,939</u>	<u>9,312</u>
	<u>635,703</u>	<u>542,332</u>

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

	31.12.14	31.12.13
Staff	<u>4</u>	<u>4</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.14	31.12.13
	£	£
Auditors' remuneration	<u>4,000</u>	<u>4,000</u>
Directors' remuneration	<u>-</u>	<u>-</u>

Hires Research Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.14 £	31.12.13 £
Current tax:		
UK corporation tax	17,615	17,758
Overprovision prior years	<u>-</u>	<u>(2,171)</u>
 Tax on profit on ordinary activities	 <u>17,615</u>	 <u>15,587</u>

Factors affecting the tax charge

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

	31.12.14 £	31.12.13 £
Profit on ordinary activities before tax	<u>80,219</u>	<u>75,027</u>
 Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.493% (2013 - 23.247%)	 17,241	 17,442
Effects of:		
Expenses not deductible for tax purposes	374	316
Adjustments to tax charge in respect of previous periods	<u>-</u>	<u>(2,171)</u>
 Current tax charge	 <u>17,615</u>	 <u>15,587</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14 £	31.12.13 £
Due from group undertakings	626,544	493,791
Prepayments	<u>4,786</u>	<u>602</u>
	<u>631,330</u>	<u>494,393</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14 £	31.12.13 £
Trade creditors	-	1,681
Due to group undertakings	326,472	206,250
Tax	9,423	8,391
Social security and other taxes	10,811	8,720
Other creditors	-	181
Accrued expenses	<u>232,124</u>	<u>173,774</u>
	<u>578,830</u>	<u>398,997</u>

Hires Research Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.12.14	31.12.13
Number:	Class:		£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

8. RESERVES

	Profit and loss account £
At 1 January 2014	178,960
Profit for the year	<u>62,604</u>
At 31 December 2014	<u>241,564</u>

9. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Heitman International Real Estate Securities GmbH, incorporated in the Federal Republic of Germany.

Heitman LLC, a company incorporated in the State of Delaware USA is the ultimate parent company.

10. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with the parent and wholly owned subsidiaries within the group. Hires Research Limited is a wholly owned subsidiary of Heitman International Real Estate Securities GmbH, a company incorporated in the Federal Republic of Germany. It exists to provide research services to its parent company and all of its income is derived from the parent company. The amounts outstanding at the Balance Sheet date are:

Owed by Heitman International Real Estate Securities GmbH: £619,067 (2013 £486,315). Owed by Heitman Real Estate Securities LLC £3,770 (2013 £3,770). Owed by Heitman LLC £3,707 (2013 £3,707). Owed to Heitman Financial UK LLC £326,472 (2013 £206,250).

These are rolling balances which change from day to day. There are no fixed repayment terms. No interest is receivable or payable.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.14	31.12.13
	£	£
Profit for the financial year	<u>62,604</u>	<u>59,440</u>
Net addition to shareholders' funds	62,604	59,440
Opening shareholders' funds	<u>179,060</u>	<u>119,620</u>
Closing shareholders' funds	<u>241,664</u>	<u>179,060</u>