

Financial Statements for the Year Ended 31 July 2020

for

Hanover House Limited



Hanover House Limited (Registered number: 09793074)

Contents of the Financial Statements
for the Year Ended 31 July 2020

| | Page |
|-----------------------------------|------|
| Company Information | 1 |
| Balance Sheet | 2 |
| Notes to the Financial Statements | 3 |

Hanover House Limited

Company Information
for the Year Ended 31 July 2020

DIRECTORS:

A H Povlsen
L Kaae

REGISTERED OFFICE:

Unit A
10 Fashion Street
London
E1 6PX

REGISTERED NUMBER:

09793074 (England and Wales)

AUDITORS:

Krogh & Partners Limited, (Statutory Auditor)
823 Salisbury House
29 Finsbury Circus
London
EC2M 5QQ

Hanover House Limited (Registered number: 09793074)

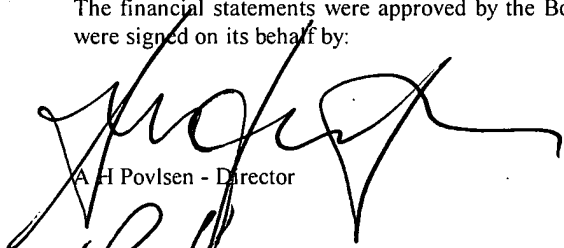
Balance Sheet
31 July 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|--------------|--------------|
| FIXED ASSETS | | | |
| Investment property | 4 | 175,144,433 | 179,276,147 |
| CURRENT ASSETS | | | |
| Debtors | 5 | 3,219,228 | 1,889,829 |
| Cash at bank | | 232,357 | 622,878 |
| | | 3,451,585 | 2,512,707 |
| CREDITORS | | | |
| Amounts falling due within one year | 6 | 82,058,860 | 81,831,182 |
| NET CURRENT LIABILITIES | | (78,607,275) | (79,318,475) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 96,537,158 | 99,957,672 |
| PROVISIONS FOR LIABILITIES | | - | 55,000 |
| NET ASSETS | | 96,537,158 | 99,902,672 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 7 | 92,000,000 | 92,000,000 |
| Retained earnings | | 4,537,158 | 7,902,672 |
| SHAREHOLDERS' FUNDS | | 96,537,158 | 99,902,672 |

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2020 and were signed on its behalf by:



A. H. Povlsen - Director



L. Kaae - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 July 2020

1. STATUTORY INFORMATION

Hanover House Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Accounting basis and standards

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

The Covid-19 pandemic has resulted in significant business and social disruption around the world. The impact on the company and the group which the company is part of has been immediate, but not significant. The directors are continually reviewing and updating the group's strategy to lessen the impact of the pandemic on the group's operation and believe that this, along with the level of cash reserves, will allow the company to be able to meet its liabilities as they fall due for a period of at least 12 months from the date of the financial statements were authorised for issue. Accordingly, the directors are satisfied that the financial statements should be prepared on the going concern basis.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Interest and similar income and charges

Interest and similar income and charges are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

Investment properties are included in the balance sheet at their fair value. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Debtors

Debtors are valued individually and there are made provision according to this valuation.

Creditors

Creditors are carried at payment or settlement amounts. Where the time value of money is material, creditors are carried at amortized cost.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

2. **ACCOUNTING POLICIES - continued**

Taxation

Current tax and deferred taxation, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised where it is considered more likely than not that future profits will be available for offset.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2019 - NIL).

4. **INVESTMENT PROPERTY**

| | Total £ |
|-----------------------|-------------|
| FAIR VALUE | |
| At 1 August 2019 | 179,276,147 |
| Additions | 868,286 |
| Revaluations | (5,000,000) |
| | <hr/> |
| At 31 July 2020 | 175,144,433 |
| | <hr/> |
| NET BOOK VALUE | |
| At 31 July 2020 | 175,144,433 |
| | <hr/> |
| At 31 July 2019 | 179,276,147 |
| | <hr/> |

Investment property, which is freehold, is revalued to fair value at each reporting date by the Company's directors. The valuation is not based on a valuation by an independent valuer.

The fair value for commercial property and land are based on the estimated rental income earned on the property, average yields earned on comparable properties from publicly available information and the Company's directors professional judgement.

Change in the yield and the estimated rental income can influence the valuation of the investment property. There is a level of estimation uncertainty regarding the yield.

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2020 £ | 2019 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 379,426 | - |
| Amounts owed by group undertakings | 1,860,000 | 1,860,000 |
| Other debtors | 68,662 | 17,712 |
| Deferred tax asset | 881,000 | - |
| Prepayments | 30,140 | 12,117 |
| | <hr/> | <hr/> |
| | 3,219,228 | 1,889,829 |
| | <hr/> | <hr/> |

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Bank loans and overdrafts | 79,750,000 | 80,750,000 |
| Trade creditors | 87,399 | - |
| Amounts owed to group undertakings | 1,636,345 | - |
| Corporation tax | 27,903 | 323,610 |
| VAT | 221,520 | 136,093 |
| Other creditors | 32,908 | 15,150 |
| Accruals and deferred income | 302,785 | 606,329 |
| | <u>82,058,860</u> | <u>81,831,182</u> |

7. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | Nominal | 2020 | 2019 |
|----------------------------------|----------|---------|-------------------|-------------------|
| Number: | Class: | value: | £ | £ |
| 92,000,000 | Ordinary | 1 | <u>92,000,000</u> | <u>92,000,000</u> |

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

John Lindegaard (Senior Statutory Auditor)
for and on behalf of Krogh & Partners Limited, (Statutory Auditor)

9. FINANCIAL COMMITMENTS

A legal mortgage is in place to Handelsbanken AB over all that freehold property known as 293 and 295 Oxford Street, 14-15 Hanover Square and 3-17 Harewood Place London W1, which contains fixed charge, floating charge and negative pledge.

The company has entered a Security Agreement covering the above mentioned securities and certain other provisions such as; Assignment of rental income, Assignment of insurance income, negative pledge, subordination of debt from AAA United A/S.

At 31 July 2020 the company and a group company had commitments for the purchase of fixed assets totalling £325,500 (2019 - £0).

10. ULTIMATE CONTROLLING PARTY

The directors consider Heartland A/S (incorporated in Denmark) as the ultimate parent company. The director Anders Holch Povlsen is considered to be the ultimate controlling party by virtue of his interest in the share capital of this company's ultimate parent company.

The immediate parent undertaking is AAA United A/S (incorporated in Denmark).

Heartland A/S (incorporated in Denmark) is the smallest group to consolidate these financial statements and copies can be obtained from:

Heartland A/S
Inge Lehmanns Gade 2
8000 Aarhus C
Denmark