

Financial Statements for the Year Ended 31 July 2021

for

Hanover House Limited

Contents of the Financial Statements
for the Year Ended 31 July 2021

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

Hanover House Limited

Company Information
for the Year Ended 31 July 2021

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

Balance Sheet
31 July 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Investment property	4		167,500,000		175,144,433
CURRENT ASSETS					
Debtors	5	687,291		3,288,228	
Cash at bank		<u>695,216</u>		<u>232,357</u>	
		1,382,507		3,520,585	
CREDITORS					
Amounts falling due within one year	6	<u>80,808,270</u>		<u>82,058,860</u>	
NET CURRENT LIABILITIES			<u>(79,425,763)</u>		<u>(78,538,275)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			88,074,237		96,606,158
PROVISIONS FOR LIABILITIES			<u>76,000</u>		<u>69,000</u>
NET ASSETS			<u>87,998,237</u>		<u>96,537,158</u>
CAPITAL AND RESERVES					
Called up share capital	7		92,000,000		92,000,000
Retained earnings			<u>(4,001,763)</u>		<u>4,537,158</u>
SHAREHOLDERS' FUNDS			<u>87,998,237</u>		<u>96,537,158</u>

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 2 November 2021 and were signed on its behalf by:

A H Povlsen - Director

L Kaae - Director

Notes to the Financial Statements
for the Year Ended 31 July 2021

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 2021

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 (2020 - NIL).

4. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 August 2020	175,144,433
Additions	67,946
Revaluations	(7,712,379)
At 31 July 2021	<u>167,500,000</u>
NET BOOK VALUE	
At 31 July 2021	<u>167,500,000</u>
At 31 July 2020	<u>175,144,433</u>

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.

The historical cost of investment property is £ 180,212,379 (2020: £ 180,144,433)

Deferred tax assets regarding investment property is not recognised. There are deferred tax asset of £ 2,400k (2020: £ 950k) based on a tax rate of 19%.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2021

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	616,208	379,426
Amounts owed by group undertakings	-	1,860,000
Other debtors	39,251	68,662
Deferred tax asset	-	950,000
Prepayments	31,832	30,140
	<u>687,291</u>	<u>3,288,228</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts	78,750,000	79,750,000
Trade creditors	26,126	87,399
Amounts owed to group undertakings	1,228,000	1,636,345
Corporation tax	21,631	27,903
VAT	130,947	221,520
Other creditors	20,469	32,908
Accruals and deferred income	631,097	302,785
	<u>80,808,270</u>	<u>82,058,860</u>

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
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 2021 the company and a group company had commitments for the purchase of fixed assets totalling £0 (2020 - £325,500).

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

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.