

Company Registration No. 11402917 (England and Wales)

HW REAL ESTATE UK LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR

HW REAL ESTATE UK LTD.

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HW REAL ESTATE UK LTD.**BALANCE SHEET****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investment properties	3		4,300,000		4,300,000
Current assets					
Debtors	4	22,500		28,600	
Cash at bank and in hand		15,269		2,051	
		<u>37,769</u>		<u>30,651</u>	
Creditors: amounts falling due within one year	5	<u>(396,586)</u>		<u>(231,987)</u>	
Net current liabilities			<u>(358,817)</u>		<u>(201,336)</u>
Total assets less current liabilities			3,941,183		4,098,664
Creditors: amounts falling due after more than one year	6		(3,778,611)		(3,941,351)
Provisions for liabilities			<u>(18,273)</u>		<u>(33,820)</u>
Net assets			<u>144,299</u>		<u>123,493</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves	9		144,199		123,393
Total equity			<u>144,299</u>		<u>123,493</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 9 April 2020 and are signed on its behalf by:

Mr K I Samuel
Director

Company Registration No. 11402917

HW REAL ESTATE UK LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

HW Real Estate UK Ltd. is a private company limited by shares incorporated in England and Wales. The registered office is British Cables Company Ltd. Delaunays Road, Blackley, Manchester, M9 8FP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Reporting period

The current period is for 12 months whereas the comparative period was for 3 months as in 2018 the company incorporated on 7 June 2018 and commenced trading on 1 October 2018. As a result the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.3 Turnover

Property rental income represents the value of all rental income during the year. Such income is recognised at the point at which the company has fulfilled its contractual obligations to its tenants.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

HW REAL ESTATE UK LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

HW REAL ESTATE UK LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2018 - 3).

3 Investment property

	2019 £
Fair value	
At 1 January 2019	4,300,000
Additions	51,750
Revaluations	(51,750)
	<u>4,300,000</u>
At 31 December 2019	<u><u>4,300,000</u></u>

Investment property comprises the freehold property known as Ashenhurst Works, Blackley, Manchester, M9 8ES (title number GM813587). The fair value of the investment property has been arrived at on the basis of a valuation carried out on 31 May 2018 by CBRE Limited, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The directors consider this valuation still to be appropriate as at 31 December 2019.

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	-	100
Prepayments and accrued income	22,500	28,500
	<u>22,500</u>	<u>28,600</u>
	<u><u>22,500</u></u>	<u><u>28,600</u></u>

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	200,000	200,000
Trade creditors	111,529	13,680
Corporation tax	13,372	5,387
Other taxation and social security	16,500	10,320
Accruals and deferred income	55,185	2,600
	<u>396,586</u>	<u>231,987</u>
	<u><u>396,586</u></u>	<u><u>231,987</u></u>

HW REAL ESTATE UK LTD.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****6 Creditors: amounts falling due after more than one year**

	Notes	2019 £	2018 £
Bank loans and overdrafts	7	2,550,000	2,750,000
Amounts due to connected company		1,228,611	1,191,351
		<u>3,778,611</u>	<u>3,941,351</u>

7 Loans and overdrafts

	2019 £	2018 £
Bank loans	2,750,000	2,950,000
	<u>2,750,000</u>	<u>2,950,000</u>
Payable within one year	200,000	200,000
Payable after one year	2,550,000	2,750,000
	<u>2,750,000</u>	<u>2,750,000</u>

The long-term loans are secured by a legal charge over the property which has a book value of £4,300,000.

Mortgages are repayable in monthly instalments to March 2023. Interest is charged at 2.35% above LIBOR per annum.

8 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Profit and loss reserves

The profit and loss reserve includes £89,223 (2018: £125,426) of non-distributable reserves.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Paul Locker.

The auditor was MHA Moore and Smalley.

HW REAL ESTATE UK LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Parent company

The company is a subsidiary of HW Real Estate International GmbH & Co. KG, a company incorporated in Germany.

HW Real Estate International GmbH & Co. KG is a subsidiary of HW-Verwaltung GmbH, another company incorporated in Germany. HW-Verwaltung GmbH is owned and controlled by J E Wilms, who is considered to be the ultimate controlling party.

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.