
HEB REAL ESTATE LIMITED

UNAUDITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



HEB REAL ESTATE LIMITED

COMPANY INFORMATION

Director	H Akbary
Registered number	09221605
Registered office	21 Fulton Road Wembley London HA9 0GA
Accountants	Smith & Williamson LLP Accountants Onslow House Onslow Street Guildford GU1 4TL

HEB REAL ESTATE LIMITED

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HEB REAL ESTATE LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his report and the financial statements for the year ended 31 December 2018.

Director

The director who served during the year was:

H Akbary

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



H Akbary
Director

Date: 30 September 2019

HEB REAL ESTATE LIMITED

**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF HEB REAL ESTATE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of HEB Real Estate Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

We are subject to the ethical and other professional requirements of the Institute of Chartered Accountants in England and Wales (ICAEW), which are detailed at icaew.com/regulations.

It is your duty to ensure that HEB Real Estate Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of HEB Real Estate Limited. You consider that HEB Real Estate Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of HEB Real Estate Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of this report

This report is made solely to the director of HEB Real Estate Limited in accordance with the terms of our engagement letter dated 14 August 2014. Our work has been undertaken solely to prepare for your approval the financial statements of HEB Real Estate Limited and state those matters that we have agreed to state to the director of HEB Real Estate Limited in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HEB Real Estate Limited and its director for our work or for this report.



Smith & Williamson LLP

Accountants

Onslow House
Onslow Street
Guildford
GU1 4TL

Date: 30 September 2019

HEB REAL ESTATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Interest payable and expenses	3	(1,318,968)	(12,189)
Loss before tax		<u>(1,318,968)</u>	<u>(12,189)</u>
Loss for the financial year		<u><u>(1,318,968)</u></u>	<u><u>(12,189)</u></u>

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 6 to 9 form part of these financial statements.

HEB REAL ESTATE LIMITED
REGISTERED NUMBER: 09221605

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	4	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	5	57,800,000	57,800,000
		<u>57,800,000</u>	<u>57,800,000</u>
Creditors: amounts falling due within one year	6	(10,956,034)	(10,956,034)
Net current assets		<u>46,843,966</u>	<u>46,843,966</u>
Total assets less current liabilities		<u>46,843,967</u>	<u>46,843,967</u>
Creditors: amounts falling due after more than one year	7	(29,975,123)	(28,656,155)
Net assets		<u><u>16,868,844</u></u>	<u><u>18,187,812</u></u>
Capital and reserves			
Called up share capital	8	18,200,001	18,200,001
Profit and loss account		(1,331,157)	(12,189)
		<u><u>16,868,844</u></u>	<u><u>18,187,812</u></u>

HEB REAL ESTATE LIMITED
REGISTERED NUMBER: 09221605

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the 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 on



H Akbar
Director

30 September 2019

The notes on pages 6 to 9 form part of these financial statements.

HEB REAL ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

HEB Real Estate is a private limited company, limited by shares and registered in England & Wales. The company's registration number is 09221605 and the registered office address is 21 Fulton Road, Wembley, London, HA9 0GA.

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 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.

2.2 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that

HEB REAL ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 Financial instruments (continued)

are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are 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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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. Interest payable and similar expenses

	2018 £	2017 £
Interest on deep discount bonds	1,318,968	12,189
	<u>1,318,968</u>	<u>12,189</u>

HEB REAL ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	1
At 31 December 2018	<u>1</u>
Net book value	
At 31 December 2018	<u>1</u>
At 31 December 2017	<u>1</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
HEB Apartments Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
HEB Apartments Limited	5,204,745	1,430,954

5. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	57,800,000	57,800,000
	<u>57,800,000</u>	<u>57,800,000</u>

HEB REAL ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	10,956,034	10,956,034
	<u>10,956,034</u>	<u>10,956,034</u>

7. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Deep discount bonds	29,975,123	28,656,155
	<u>29,975,123</u>	<u>28,656,155</u>

8. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
18,200,001 (2017 - 18,200,001) Ordinary shares of £1.00 each	<u>18,200,001</u>	<u>18,200,001</u>

9. Related party transactions

At the year end the outstanding balance due to Pinnacle Developments Limited ("PDL") from HEB Real Estate Limited ("HEB RE") was £10,956,034 (2017: £10,956,034). The balance due from HEB Apartments Limited at the year end was £57,800,000 (2017: £57,800,000). HEB Apartments Limited and PDL are related parties of HEB RE by virtue of common control.

Deep discount bonds were novated to HEB RE in the prior year from PDL in return for the partial settlement of intercompany debt. The bond holder is Pinnacle Limited, a company registered in Guernsey and connected to HEB RE by virtue of common control. In the year ending 31 December 2018, interest on the bonds of £1,318,968 (2017: £12,189) was charged. The balance payable in respect of the bonds at 31 December 2018 was £29,975,123 (2017: £28,656,155).

10. Controlling party

The parent company is HEB 1 Limited, a company registered in Jersey. The controlling party is Hasibullah Akbary, the director, by virtue of his ownership of the parent company.