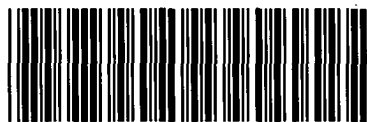


Heron (Devonshire House No.2) Limited
Directors' Report and Financial Statements
for the Year Ended 31 December 2022

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Heron (Devonshire House No.2) Limited

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Heron (Devonshire House No.2) Limited

Company Information

Directors

Mr Gerald Ronson CBE Hon. DCL
Mr Joe Sutton

Company Secretary

Mr James Manning

Registered Office

2nd Floor
24 Brook's Mews
Mayfair
London
W1K 4EA

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Company Number

3753778

Heron (Devonshire House No.2) Limited
Directors' Report for the Year Ended 31 December 2022

The directors present their report and audited financial statements for the year ended 31 December 2022. The Directors' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Principal activity

The principal activity of the company is that of an investment company.

Results and dividends

The results for the year were £nil (2021: £nil) and the state of the company's affairs are as set out in the financial statements.

The company is unable to pay a dividend for the current year (2021: £nil).

Business review

Review of the business and future developments

The company is an investment company and will pursue suitable investment opportunities in the future.

Principal risks and uncertainties

Financial risk management is an integral part of the company's management processes. Stringent policies designed to identify, manage and limit both existing and possible risks are applied at various management levels.

The company is exposed to potential credit risk on financial instruments such as liquid assets and trade debtors. Credit risk is managed at group level by spreading investments in liquid assets across several high quality financial institutions. In line with normal business practice the group operates credit management procedures.

Price risk is considered at a group level as part of the review of management forecasts and at a project level as part of the tender process and monitored on an ongoing basis.

Liquidity risk and cash flow risk are actively managed at group level through the preparation and monitoring of medium term plans, budgets and quarterly forecasts.

Directors and their interest

The current directors of the company and changes during the year are as listed on page 1.

There are no directors' interests which require to be disclosed under the Companies Act 2006.

A parent company maintains liability insurance for directors and officers of the company.

Going concern

After considering the company's forecast cash flows and applying appropriate sensitivities to the cash flow projections, the directors continue to consider it appropriate that the going concern basis be adopted in preparing the company's accounts.

Heron (Devonshire House No.2) Limited

Directors' Report for the Year Ended 31 December 2022 (Continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving these financial statements is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of this information.

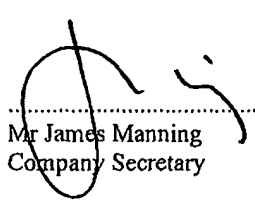
Reappointment of auditors

The auditors BDO LLP are deemed to be reappointed under section 485 of the Companies Act 2006.

Exemption from preparing strategic report

This report has been prepared in accordance with the small companies regime under the Companies Act 2006. In accordance with section 414B, the Company is exempt from preparing a strategic report.

Approved by the Board and signed on its behalf by:



Mr James Manning
Company Secretary

Date: 30/11/2023

Heron (Devonshire House No.2) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report 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 applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Heron (Devonshire House No.2) Limited

Independent Auditor's Report

Opinion on the 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 2022 and of its result 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.

We have audited the financial statements of Heron (Devonshire House No.2 Limited ("the Company")) for the year ended 31 December 2022 which comprise Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Heron (Devonshire House No.2) Limited

Independent Auditor's Report (Continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Heron (Devonshire House No.2) Limited

Independent Auditor's Report (Continued)

Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be Companies Act 2006, United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and UK tax legislation .

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Heron (Devonshire House No.2) Limited

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be inappropriate journal entries and the exertion of bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including deferred taxation and impairment consideration of debtors.

Heron (Devonshire House No.2) Limited

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 an auditor's report 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.

DocuSigned by:



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Richard Levy (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

30 November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Heron (Devonshire House No.2) Limited
 Income Statement for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Interest income on investments	3	412	245
Interest payable on loans from group undertakings	4	(412)	(245)
Profit on ordinary activities before taxation		—	—
Taxation	5	—	—
Result for the financial year		—	—

The operating result for the year derives wholly from continuing operations.

The notes on pages 14 to 18 form an integral part of these financial statements

Heron (Devonshire House No.2) Limited
Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022	2021
	£	£
Result for the year	—	—
Total comprehensive income for the year	—	—

The notes on pages 14 to 18 form an integral part of these financial statements

Heron (Devonshire House No.2) Limited

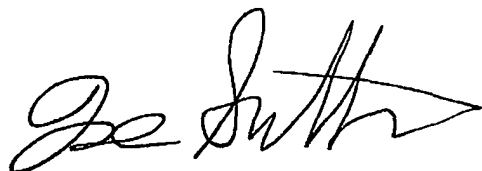
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Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due after more than one year	6	12,427	12,015
		12,427	12,015
Creditors: amounts falling due after more than one year	7	(12,427)	(12,015)
Net assets		—	—
Capital and reserves			
Called up share capital	8	1	1
Retained Deficit		(1)	(1)
Total equity		—	—

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised by the Board and signed on its behalf by:



Mr Joe Sutton
Director

Date: 30/11/2023

Heron (Devonshire House No.2) Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share Capital £	Retained Deficit £	Total £
At 31 December 2020	1	(1)	—
Total comprehensive income for the year	—	—	—
At 31 December 2021	1	(1)	—
Total comprehensive income for the year	—	—	—
At 31 December 2022	1	(1)	—

The notes on pages 14 to 18 form an integral part of these financial statements

Heron (Devonshire House No.2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

Corporate Information

Heron (Devonshire House No.2) Limited is a private limited liability company incorporated in England. The Registered Office is disclosed on page 1.

Statement of Compliance

These financial statements have been prepared in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the historical cost basis as specified in the accounting policies below.

Under the provisions of FRS 102, the Company is defined as a qualifying entity and has consequently taken advantage of the disclosure exemptions set out in FRS 102 section 1.12 not to:

- provide a reconciliation of the number of shares outstanding at the beginning and end of the year;
- prepare a statement of cash flows as it is a wholly owned subsidiary undertaking of Heron International Holdings, the consolidated financial statements of which will include a consolidated statement of cash flows, including those of the company and
- disclose key management personnel compensation.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- Tax – the Company establishes provisions based on reasonable estimates for likely tax liabilities. The amount of such provisions is based on various factors, such as management experience and interpretation of tax regulations. Management estimation is required to determine the quantum of deferred tax asset that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax attributes. Refer to tax accounting policy note for more information.
- Impairment considerations of debtors – the carrying values of debtor balances are reviewed regularly for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Estimates and assumptions

Management consider that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Heron (Devonshire House No.2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (Continued)

1 Accounting policies (Continued)

Going concern

After considering the company's forecast cash flows and applying appropriate sensitivities to the cash flow projections, the directors continue to consider it appropriate that the going concern basis be adopted in preparing the company's accounts.

The principal accounting policies are as follows:

Interest income

Interest income is recognised on the basis of the effective interest method and is included in interest receivable and similar income.

Interest expense

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less any impairment. Where trade and other receivables are expected to be recovered in more than one year, the balance is discounted to reflect the time value of money.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Tax

Current tax is recognised for the amount of tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised except as noted otherwise in respect of all timing differences at the reporting date between taxable profits and total comprehensive income.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

No deferred tax is recognized on the unremitted earnings of subsidiaries as the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

2 Profit on ordinary activity before taxation

The audit fees for the year have been borne by another group undertaking.

No director received any remuneration in respect of services rendered to the company during the year (2021: £nil).

The company did not employ any persons during the year (2021: nil).

Heron (Devonshire House No.2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (Continued)

3 Interest receivable and similar income

	2022	2021
	£	£
Receivable from a parent undertaking	412	245

4 Interest payable and similar charges

	2022	2021
	£	£
Payable to the immediate parent undertaking	412	245

5 Taxation

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2021 – 19%).

The differences are reconciled below:

	2022	2021
	£	£
Profit before tax	—	—
Corporation tax at standard rate	—	—
Total tax charge	—	—

Factors that may affect future tax charges

The Finance Act 2022 included legislation to increase the main rate of corporation tax to 25% from 1 April 2023. As this change was substantively enacted before the reporting date, deferred tax is recognised at 25% in the current period.

The rate changes will impact the amount of future tax payments to be made by the company.

Deferred tax

Deferred tax assets and liabilities

There are £5,400,000 of unused tax losses (2021 - £5,400,000) for which no deferred tax asset is recognised in the Statement of Financial Statements, as the directors have not identified suitable profits going forward in order to utilise these tax losses.

Heron (Devonshire House No.2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (Continued)

6 Debtors: amounts falling due after more than one year

	2022	2021
	£	£
Amounts due from a parent undertaking	12,427	12,015

The above amount is unsecured and is repayable on 13 August 2029. Interest is charged at three month LIBOR plus a margin of 2%. In the opinion of the directors this is a market rate of interest. The carrying value of these balances is presented after discounting considerations.

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Amounts due to the immediate parent undertaking	12,427	12,015

The above amount is unsecured and is repayable on 13 August 2029. Interest is charged at three month LIBOR plus a margin of 2%. In the opinion of the directors this is a market rate of interest. The carrying value of these balances is presented after discounting considerations.

Heron (Devonshire House No.2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (Continued)

8 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary share of £1 each	1	1	1	1

9 Related party transactions

The company has taken advantage of the exemption in FRS 102, section 33.1A Related Party Disclosures not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

10 Parent and ultimate parent undertaking

The company's immediate parent undertaking is Heron Property Corporation Limited.

The company's ultimate parent and controlling undertaking at 31 December 2022 is Heron International Limited. The parent undertakings of the smallest and largest group of which the company is a member, for which group accounts are prepared, are as follows:

- Largest group - Heron International Limited, registered in the Cayman Islands
- Smallest group - Heron International Holdings, registered in England and Wales

Copies of the group accounts of Heron International Limited are available from the registered office at PO Box 309, Ugland House, George Town, Grand Cayman, Cayman Islands, British West Indies.

Copies of the group accounts of Heron International Holdings will be available from Companies House, Cardiff CF14 3UZ once they have been filed.