

Hertway Investments Limited

Report and Financial Statements

Year Ended

31 December 2019

Filleted Accounts

Company Number 10223244

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Hertway Investments Limited

Balance sheet at 31 December 2019

| Company number 10223244 | Note | 2019 £'000 | 2019 £'000 | 2018 £'000 | 2018 £'000 |
|----------------------------------------------------------------|-------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debtors: amounts falling due within one year | 6 | 46,731 | | 50,630 | |
| Creditors: amounts falling due within one year | 7 | (7,675) | | (5,446) | |
| Net current assets | | | 39,056 | | 45,184 |
| | | | 39,056 | | 45,184 |
| Creditors: amounts falling due after more than one year | 7 | | (45,000) | | (45,000) |
| Net assets | | | (5,944) | | 184 |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | - | | - |
| Retained earnings | | | (5,944) | | 184 |
| | | | (5,944) | | 184 |

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the companies Act 2006.

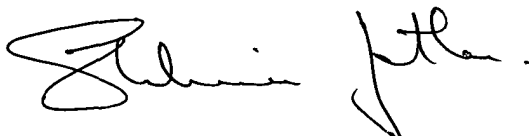
The members have not required the company to obtain an audit in accordance with Section 476 of the Act.

The directors acknowledge their responsibility for complying with the requirements of the Companies' Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

The financial statements were approved by the Board of Directors and authorised for issue on **22 APRIL 2021**

Mrs S Jetha
Director



The notes on pages 2 to 6 form part of these financial statements.

Hertway Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2019

1 Accounting policies

Hertway Investments Limited (the "Company") is a private company incorporated, domiciled and registered in the UK. The registered number is 10223244 and the registered address is 14 Chester Terrace, London, NW1 4ND.

These company financial statements were prepared in accordance with Financial Reporting Standard 102 1A. All amounts in the financial statements have been rounded to the nearest £1,000.

Going concern

The company is dependent on the loan notes and intercompany loans remaining available to the company. The current loan notes are due to expire in July 2028 and directors have received confirmations that no intercompany loans will be repayable within 12 months of signing the financial statements. The directors therefore after making enquiries, have a reasonable expectation from the group and company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Measurement convention

The financial statements are prepared on the historical cost basis.

Interest bearing borrowings classified as basic financial instruments

Interest bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to enacted recognition, interest bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to limited recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Hertway Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors do not consider that there are any key judgements or material estimates except valuation of related party and fellow subsidiary loans.

2 Expenses and auditor's remuneration

| | 2019 £'000 | 2018 £'000 |
|------------------------------------|---------------|---------------|
| This is arrived at after charging: | | |
| Provisions against loans* | 6,240 | - |

*Provision against loan to Roland House Limited.

Auditor's remuneration in respect of these financial statements has been borne by a fellow group subsidiary company.

3 Interest receivable and similar income

| | 2019 £'000 | 2018 £'000 |
|---------------------------|---------------|---------------|
| Other interest receivable | 2,363 | 2,362 |

4 Interest payable and similar charges

| | 2019 £'000 | 2018 £'000 |
|------------------------|---------------|---------------|
| Other interest payable | 2,250 | 2,250 |
| Loan arrangement costs | 1 | 3 |
| | 2,251 | 2,253 |

Hertway Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

5 Taxation on loss on ordinary activities

| | 2019 £'000 | 2018 £'000 |
|--------------------------------------------------|---------------|---------------|
| <i>UK corporation tax</i> | | |
| Current tax on (loss)/profit of the year | - | 21 |
| | <hr/> | <hr/> |
| Total current tax | - | 21 |
| <i>Deferred tax</i> | | |
| Movement on deferred taxation | - | - |
| | <hr/> | <hr/> |
| Taxation on (loss)/profit on ordinary activities | - | 21 |
| | <hr/> | <hr/> |

The tax assessed for the year is different than the standard rate of corporation tax in the UK. The differences are explained below:

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------------------------------------------------------------------------|---------------|---------------|
| (Loss)/Profit before taxation | (6,128) | 109 |
| | <hr/> | <hr/> |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 - 19%) | (1,164) | 21 |
| Effects of: | | |
| Non-deductible expenses | 1,164 | - |
| Unrecognised deferred tax | - | - |
| (Under) provided in prior period | - | - |
| | <hr/> | <hr/> |
| Total tax expense included in profit and loss | - | 21 |
| | <hr/> | <hr/> |

Factors affecting future tax charge

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2016) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2016. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). The directors note that subsequent to the year end the reduction of the corporation tax rate to 17% has been cancelled and will account for the effects of this on the tax balances in 2020.

Hertway Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

6 Debtors

| | 2019 £'000 | 2018 £'000 |
|--------------------------------------------------|---------------|---------------|
| Amount owed by fellow group subsidiary (note 10) | 29,842 | - |
| Amount owed by related party (note 10) | 16,889 | 50,630 |
| | <u>46,731</u> | <u>50,630</u> |

All loans are deemed repayable on demand and bear interest at 5.25% (2018 – 5.25%). The company has provided confirmation that the loans will not be called for payment within twelve months of signing these accounts unless the fellow group subsidiary and related party companies have sufficient funds to repay.

6 Creditors: amounts falling due within one year

| | 2019 £'000 | 2018 £'000 |
|------------------------------|---------------|---------------|
| Corporation tax | - | 21 |
| Accruals and deferred income | 7,675 | 5,425 |
| | <u>7,675</u> | <u>5,446</u> |

Creditors: amounts falling due after more than one year

| | 2019 £'000 | 2018 £'000 |
|---------------------|---------------|---------------|
| Other loans payable | 45,000 | 45,000 |
| | <u>45,000</u> | <u>45,000</u> |

Other loans payable consist of £45,000,000 of loan stock listed on the Channel Islands Stock Exchange, bearing interest at 5%, repayable in full on 31 July 2028.

7 Share capital

| | 2019 £ | 2018 £ |
|-------------------------------------------|-----------|-----------|
| <i>Allotted, called up and fully paid</i> | | |
| 2 ordinary shares of £1 each | 2 | 2 |
| | <u>2</u> | <u>2</u> |

Hertway Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

9 Ultimate controlling interest

At 31 December 2019, the company's ultimate parent company was Burlington Investment Limited incorporated in Jersey, which is the parent of the smallest and largest group of which the company is a member. The company's immediate parent company is Rockingham Investments Limited, which is the parent company of the smallest and largest group of which the company is a member. Shelina Jetha, Nimet Esmail and the Burlington Trust equally own shares in Burlington Investment Limited. There is no ultimate controlling party.

10 Related party transactions

The company has amounts receivable from Prestmade Limited and Roland House Limited bearing interest at 5.25% per annum. The balance outstanding at the year end is £16,889,063 (2018 - £50,630,459) and £36,082,184 (2018 - £Nil) respectively. Against the balance outstanding from Roland House Limited a provision is made of £6,240,000 (2018- £Nil). The ultimate controlling party of Prestmade Limited is Mrs G Bhatia. Roland House Limited is a fellow group subsidiary company.