

Heron Land Holdings Limited (formerly Heron London Investments Limited)

Directors' Report and Financial Statements

for the Year Ended 31 December 2020



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## **Heron Land Holdings Limited**

### **Contents**

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Company Information	1
Directors' Report	2 - 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 - 7
Income Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 15

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**Heron Land Holdings Limited**  
**Company Information**

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**Directors**

Mr Gerald Ronson CBE Hon. DCL  
Mr Joe Sutton  
Mr Stephen Bailey

**Company Secretary**

Mr James Manning

**Registered Office**

2<sup>nd</sup> Floor  
24 Brook's Mews  
Mayfair  
London  
W1K 4EA

**Auditors**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Company Number**

01009681

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**Heron Land Holdings Limited**  
**Directors' Report for the Year Ended 31 December 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020. On 6 November 2019 the company changed its name from Heron London Investments Limited to Heron Land Holdings Limited. This Directors' report has been prepared in accordance with the special provisions relating to the small companies regime.

**Principal activity**

The principal activity of the company is that of a trading company. On 1<sup>st</sup> January 2019 the company commenced trading by beginning the activity of acquiring land sites with a view to development.

**Results and dividends**

The profit for the year was £43,237 (2019: £170,988) and the state of the affairs of the company are as set out in the attached accounts.

The directors do not recommend the payment of a dividend for the year (2019: £nil).

**Business review**

***Review of the business and future developments***

During a prior year the company disposed of its units in The Abford House Unit Trust (the "Trust") for proceeds in excess of its book value.

In a prior period the company advanced an interest bearing loan of £1.4 million to its immediate parent company, Heron Property Corporation Limited (see Note 5).

The company will pursue further suitable investment opportunities in the future.

***Financial risk management***

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.

**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 reasonable 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 that information.

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**Heron Land Holdings Limited**  
**Directors' Report for the Year Ended 31 December 2020 (Continued)**

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**Directors and their interests**

The current directors of the company, and those who served throughout the period 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.

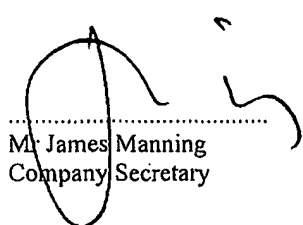
**Reappointment of auditors**

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

**Small companies provision statement**

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: 22 October 2021

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**Heron Land Holdings Limited**  
**Statement of Directors' Responsibilities**

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The directors are responsible for preparing the Directors' 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.

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## Heron Land Holdings Limited

### Independent Auditor's Report

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#### 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 2020 and of its profit 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 Land Holdings Limited ("the Company") for the year ended 31 December 2020 which comprise the 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)<sup>1</sup>.

#### 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 below. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Use of our report

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.

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**Heron Land Holdings Limited**  
**Independent Auditor's Report (Continued)**

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**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.

**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.



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## Heron Land Holdings Limited

### Independent Auditor's Report (Continued)

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#### 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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

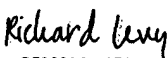
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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.

Richard Levy (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, United Kingdom  
Date 22 October 2021

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

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**Heron Land Holdings Limited**  
**Income Statement for the Year Ended 31 December 2020**

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	Note	2020 £	2019 £
Other income		—	124,937
Operating profit	2	—	124,937
Operating profit on ordinary activities before interest and taxation		—	—
Interest receivable and similar income	3	43,237	46,051
Profit before tax		43,237	170,988
Tax on profit	4	—	—
Profit for the financial year		43,237	170,988

The above profit was derived from continuing operations.

The notes on pages 12 to 15 form an integral part of these financial statements

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**Heron Land Holdings Limited**  
**Statement of Comprehensive Income for the Year Ended 31 December 2020**

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	Note	2020 £	2019 £
Profit for the year		43,237	170,988
Total comprehensive income for the year		43,237	170,988

The notes on pages 12 to 15 form an integral part of these financial statements

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**Heron Land Holdings Limited**

**(Registration Number: 01009681)**

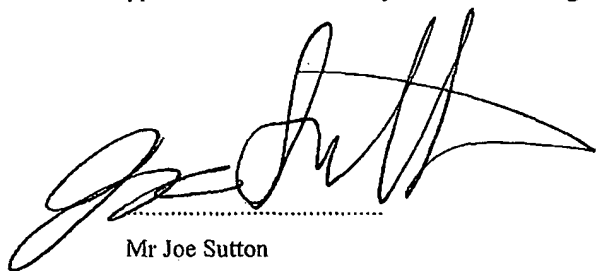
**Statement of Financial Position as at 31 December 2020**

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	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	<u>1,828,942</u>	<u>1,785,705</u>
		<u>1,828,942</u>	<u>1,785,705</u>
Net current assets		<u>1,828,942</u>	<u>1,785,705</u>
Net assets		<u>1,828,942</u>	<u>1,785,705</u>
<b>Capital and reserves</b>			
Called up share capital	6	2	2
Retained Earnings		<u>1,828,940</u>	<u>1,785,703</u>
Total equity		<u>1,828,942</u>	<u>1,785,705</u>

The financial statements have been prepared in accordance with the special provisions relating to the small companies regime.

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



Mr Joe Sutton  
Director

Date: 22 October 2021

The notes on pages 12 to 15 form an integral part of these financial statements

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**Heron Land Holdings Limited**  
**Statement of Changes in Equity for the Year Ended 31 December 2020**

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	Share Capital £	Retained Earnings £	Total £
At 31 December 2019	2	1,614,715	1,614,717
Total comprehensive income	<u>–</u>	<u>170,988</u>	<u>170,988</u>
At 31 December 2019	2	1,785,703	1,785,705
Total comprehensive income	<u>–</u>	<u>43,237</u>	<u>43,237</u>
At 31 December 2020	<u>2</u>	<u>1,828,940</u>	<u>1,828,942</u>

The notes on pages 12 to 15 form an integral part of these financial statements

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**Heron Land Holdings Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2020**

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**1 Accounting policies**

**Corporate information**

Heron London Investments 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 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 judgement and estimates**

The 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.

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## **Heron Land Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (Continued)**

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#### **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 principle 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.

##### **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.

##### **Profit on sale of investment**

Profits/losses on sale of investments are recognised upon completion after deducting all related costs.

##### **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.

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**Heron Land Holdings Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2020 (Continued)**

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**2 Operating profit**

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 (2019: £nil).  
The company did not employ any persons during the year (2019: nil).

**3 Other interest receivable and similar income**

	2020 £	2019 £
Interest receivable from parent undertaking	43,237	46,051

**4 Taxation**

The tax on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19% (2019 – 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	43,237	170,988
Corporation tax at standard rate	8,215	32,488
Effect of expense not deductible in determining taxable profit (tax loss)	–	–
Effect of revenues exempt from taxation	–	–
Increase (decrease) from tax losses for which no deferred tax asset was recognised	–	–
Tax increase/(decrease) arising from group relief	(8,215)	(32,488)
Total tax charge/(credit)	–	–

**Factors that may affect future tax charges**

The Finance Act 2020 included legislation to maintain the main rate of corporation tax at 19% from 1 April 2020. As this change was substantively enacted before the reporting date, deferred tax is recognised at 19% in the current period.

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

**Deferred tax**

There are £11,000,000 of unused tax losses (2019 - £11,000,000) for which no deferred tax asset is recognised in the Statement of Financial Position, as the directors have not identified suitable profits going forward in order to utilise these tax losses.



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**Heron Land Holdings Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

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**5 Debtors**

	2020	2019
	£	£
<b>Debtors: Amounts falling due within one year</b>		
Other debtors	—	—
Amounts due from immediate parent undertaking (a)	1,828,942	1,785,705
	<u>1,828,942</u>	<u>1,785,705</u>

- (a) The above amount has no fixed maturity date. Interest is charged at three months 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.

**6 Share capital**

**Allotted, called up and fully paid shares**

	2020	2019
	No.      £	No.      £
Ordinary Shares of £1 each	<u>2              2</u>	<u>2              2</u>

**7 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 group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

**8 Parent and ultimate parent undertaking**

The company is controlled by its immediate parent undertaking, Heron Property Corporation Limited.

The company's ultimate parent and controlling undertaking at 31 December 2020 is Heron International Limited. The parent undertakings of the smallest and largest groups of which the company is a member, and 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 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 at Cardiff, CF14 3UZ once they have been filed.