

Company Registration No: 03462658

H.A. LEASING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020



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H.A. LEASING LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

R Tchenguiz
V A Tchenguiz

REGISTERED OFFICE

5th Floor
Leconfield House
Curzon Street
London
W1J 5JA

AUDITOR

RSM UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

SOLICITORS

Osborne Clarke
One London Wall
London
EC2Y 5EB

H.A. LEASING LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of H.A. Leasing Limited for the year ended 31 May 2020.

Principal activities and business review

The principal activity of the company, which has remained unchanged during the financial year, was property investment by holding lease interests in land and buildings, and the letting of investment property. There were no additions or disposals of investment property during the year.

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2020 were satisfactory, given the support of Rotch Property Group Limited, a related company.

Investment properties

The investment properties have been valued by the directors at £655,000 (2019: £656,000). The resultant fair value decrease in the year amounted to £1,000 (2019: £16,000). Details of the investment properties are set out in note 8.

Results and dividends

The loss for the year amounted to £143,501 (2019: £96,589). The directors do not recommend the payment of a dividend.

Directors

The following directors have held office since 1 June 2019:

R Tchenguiz
V A Tchenguiz

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

H.A. LEASING LIMITED

DIRECTORS' REPORT (continued)

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board:


R Tchenguiz
Director
10 May 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H.A. LEASING LIMITED

Opinion

We have audited the financial statements of H.A. Leasing Limited (the 'company') for the year ended 31 May 2020 which comprise 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H.A. LEASING LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



Christopher Hurren FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor, One London Square, Cross Lanes
Guildford, Surrey, GU1 1UN

 2021

H.A. LEASING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2020

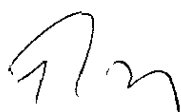
	Notes	2020 £	2019 £
Turnover	2	327,316	332,274
Other operating expenses (net)	3	(3,582)	(3,582)
Operating profit		<u>323,734</u>	<u>328,692</u>
Fair value loss on investment property		(1,000)	(16,000)
Interest payable and similar charges	4	(403,157)	(399,499)
Loss before taxation	5	<u>(80,423)</u>	<u>(86,807)</u>
Taxation	7	(63,078)	(9,782)
Loss after taxation		<u>(143,501)</u>	<u>(96,589)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(143,501)</u></u>	<u><u>(96,589)</u></u>

H.A. LEASING LIMITED**STATEMENT OF FINANCIAL POSITION (Company Registration Number: 03462658)****AT 31 MAY 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	655,000	656,000
Investments	9	236,836	236,836
		<u>891,836</u>	<u>892,836</u>
Current assets			
Debtors: amounts falling due within one year	10	844,881	868,383
Debtors: amounts falling due after more than one year	10	3,840,392	3,963,496
		<u>4,685,273</u>	<u>4,831,879</u>
Creditors: amounts falling due within one year	12	(223,242)	(204,539)
Net current assets		<u>4,462,031</u>	<u>4,627,340</u>
Total assets less current liabilities		<u>5,353,867</u>	<u>5,520,176</u>
Creditors: amounts falling due after more than one year	13	(6,739,177)	(6,825,063)
Provisions for liabilities	14	(503,719)	(440,641)
Net liabilities		<u>(1,889,029)</u>	<u>(1,745,528)</u>
Capital and reserves			
Called up share capital	15	200,000	200,000
Profit and loss account		(2,089,029)	(1,945,528)
Total equity		<u>(1,889,029)</u>	<u>(1,745,528)</u>

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

The financial statements on pages 6 to 20 were approved by the board of directors and authorised for issue on 10 May 2021 and are signed on its behalf by:



R Tchenguiz
Director

H.A. LEASING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020

	Share capital £	Profit and loss account £	Total £
Balance at 1 June 2018	200,000	(1,848,939)	(1,648,939)
Total comprehensive income for the year	-	(96,589)	(96,589)
Balance at 31 May 2019	<u>200,000</u>	<u>(1,945,528)</u>	<u>(1,745,528)</u>
Total comprehensive income for the year	-	(143,501)	(143,501)
Balance at 31 May 2020	<u>200,000</u>	<u>(2,089,029)</u>	<u>(1,889,029)</u>

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1. Accounting policies

Company information

H.A. Leasing Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is 5th Floor, Leconfield House, Curzon Street, W1J 5JA. The principal activity of the company during the year was that of property investment and holding lease interests in land and buildings.

1.1 Basis of accounting

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, and under the historical cost convention modified to include investment properties at fair value, as applicable to companies subject to the small companies regime.

With effect from 1 June 2019 the company has adopted the amendments to FRS 102 published in the Triennial Review 2017. There are no adjustments to the current or comparative period in relation to this amendment.

1.2 Cash flow statement

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS 102, Section 7.

1.3 Consolidated financial statements

The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemption provided by FRS 102 Chapter 9 'Consolidated and Separate Financial Statements' and Section 399 of the Companies Act 2006 from the requirement to prepare consolidated financial statements on the basis that it is subject to the small companies regime. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

1.4 Going concern

The company's finance lease, property investment and funding structure has been set up to be principally self-funding.

The directors have assessed the structure and the continuation and availability of support provided by Rotch Property Group Limited (see note 18) and have determined that the company has, or can expect to have, sufficient working capital for its needs for at least the next 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate to prepare the accounts on the going concern basis.

1.5 Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

1.6 Turnover

Finance charges on finance leases are recognised in the statement of comprehensive income so as to produce a constant return on the carrying amount.

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1.7 Rent receivable

Rental income from investment properties leased out under operating leases is recognised in the profit and loss account on an accruals basis over the term of the lease. The effect of rent reviews is only recognised when such reviews have been agreed with tenants. Where rents are subject to fixed indexation in lieu of rent reviews, the rents are recognised on a systematic basis as income in the periods in which they are earned.

1.8 Loan finance charges

Loan finance costs are amortised over the term of the related borrowings and the loans to which they relate are stated after deducting the amount of the unamortised finance costs.

1.9 Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

1.10 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.11 Finance leases

Finance leases are initially stated at cost including acquisition costs. The carrying amount is increased by finance charges in the accounting period and reduced by payments received in the period. Finance charges are recognised in the profit and loss account so as to reflect a constant periodic return on the net investment in the lease.

1.12 Operating leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

1.13 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1.13 Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.14 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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets, which include trade and other receivables 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 liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1.14 Financial instruments (continued)

Financial liabilities and equity (continued)

Equity Instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Finance lease rentals

The key accounting estimate in preparing these financial statements relates to the rentals receivable under the finance lease which are subject to periodic increases. Amounts due from lessees under finance leases are recognised in debtors at the present value of the future minimum lease payments plus any unguaranteed residual value (the "net investment in the lease") plus incremental costs of negotiating and arranging the lease. Finance income from assets leased under a finance lease is allocated to accounting periods so as to reflect a constant periodic rate of return in the net investment in the lease.

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1.15 Critical accounting estimates and areas of judgement (continued)

Valuation of investment properties

Another key accounting estimate in preparing these financial statements relates to the carrying value of the investment property which is stated at fair value. The company uses reports provided by Chartered Surveyors employed by the group's in house management company as a basis for determining the directors' estimation of the fair value of the investment properties. However, the valuation of the company's investment property is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

2. Turnover

The company's turnover for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

	2020 £	2019 £
Finance lease income	267,643	274,623
Rent receivable	59,673	57,651
	<u>327,316</u>	<u>332,274</u>

Finance lease income represents finance charges allocated to the period so as to give a constant periodic rate of return over the duration of the lease.

3. Other operating expenses (net)

	2020 £	2019 £
Administrative expenses	5,900	5,900
Other operating income	(2,318)	(2,318)
	<u>3,582</u>	<u>3,582</u>

4. Interest payable and similar charges

	2020 £	2019 £
Loan interest payable to group undertakings	394,501	390,843
Amortisation of finance charges	8,656	8,656
	<u>403,157</u>	<u>399,499</u>

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

5. Loss before taxation	2020	2019
	£	£
The loss before taxation is stated after charging:		
- Auditor's remuneration	3,500	3,500
6. Employees and directors		
There were no employees during the year apart from the directors who received no emoluments.		
7. Taxation	2020	2019
	£	£
Current tax		
UK corporation tax	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	12,033	9,782
Impact of change in tax rate	51,045	-
Total deferred tax charge	63,078	9,782
Total tax on loss	63,078	9,782

Factors affecting the tax charge for the year.

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Loss before tax	(80,423)	(86,807)
Loss multiplied by the standard rate of Corporation tax in the UK of 19% (2019: 19%).	(15,280)	(16,493)
Effects of:		
Non-deductible expenses	21,009	19,613
Fair value adjustment on investment property	190	3,040
Group relief	(1,902)	(610)
UK transfer pricing	3,137	3,462
Adjustments in respect of finance leases	(4,987)	(9,011)
Deferred tax impact of revaluation of investment property	7,153	(708)
Other deferred tax adjustments	2,713	1,478
Origination and reversal of timing differences	51,045	9,011
Tax charge	63,078	9,782

It was announced in the Chancellor's Budget on 11 March 2020 that the main rate of UK corporation tax would be maintained at 19% rather than reducing it to 17% from 1 April 2020. The main rate was also set at 19% for the tax year beginning 1 April 2021.

Therefore, the deferred tax liability as at 31 May 2020 has been calculated accordingly at 19%.

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

8. Investment properties

	Leasehold interests	
	2020	2019
	£	£
Fair value		
As at 1 June 2019	656,000	672,000
Fair value	(1,000)	(16,000)
As at 31 May 2020	<u>655,000</u>	<u>656,000</u>

The property was valued as at 31 May 2020 at £655,000 (2019: £656,000) by the directors based on reports provided to them by Chartered Surveyors employed by the group's in house management company.

Valuations take in account tenure, lease terms, market conditions, inflation assumptions and sales prices based on known market transactions for similar properties.

If investment properties were stated on an historical basis rather than a fair value basis, the amounts would have been included as follows:

	2020	2019
	£	£
Short leasehold	484,802	484,802

9. Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost	
At 1 June 2019 and 31 May 2020	<u>236,836</u>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Principal activity	Shares held	%
			Class	
Restgrove Limited	England	Property investment*	Ordinary	100.00

*This company holds its property investments by way of finance leases.

The registered office of the subsidiary is 5th Floor, Leconfield House, Curzon Street, W1J 5JA.

H.A LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

9. Fixed asset investments (continued)

The aggregate amount of capital and reserves and the results of those undertakings for the last relevant financial year were as follows:

		Capital and reserves 2020 £	Profit for the year 2020 £
	Principal activity		
Restgrove Limited	Property investment	991,009	280,392

10. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	1,009,815	1,053,747
Finance lease (note 11)	3,675,414	3,778,088
Other debtors	44	44
	<u>4,685,273</u>	<u>4,831,879</u>

Amounts falling due after more than one year and included in the debtors above are:

	2020 £	2019 £
Amounts owed by group undertakings	288,082	288,082
Finance lease (note 11)	3,552,310	3,675,414
	<u>3,840,392</u>	<u>3,963,496</u>

The original cost of the finance leases was £3,578,256 (2019: £3,578,256).

11. Finance leases

Gross amounts receivable under finance leases:

	2020 £	2019 £
Within one year	404,708	393,607
In the second to fifth years inclusive	1,736,290	1,688,638
After five years	3,775,486	4,227,846
Gross investment	<u>5,916,484</u>	<u>6,310,091</u>
Less: unearned finance income	<u>(2,241,070)</u>	<u>(2,532,003)</u>
Present value of minimum lease payments	<u>3,675,414</u>	<u>3,778,088</u>

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

11. Finance leases (continued)

	2020 £	2019 £
Receivable:		
Within one year	123,105	102,674
In the second to fifth years inclusive	728,960	629,630
After five years	2,823,349	3,045,784
	<u>3,675,414</u>	<u>3,778,088</u>

The company did not recognise any contingent rentals during the year (2019: £Nil).

12. Creditors: amounts falling due within one year

	2020 £	2019 £
Loan from group undertakings (note 13)	90,910	73,231
Accruals and deferred income	132,332	131,308
	<u>223,242</u>	<u>204,539</u>

13. Creditors: amounts falling after more than one year

	2020 £	2019 £
Loans from group undertakings	6,739,177	6,825,063
Loan maturity analysis		
In less than one year	99,565	81,887
In more than one year but not more than two years	117,706	99,565
In more than two years but not more than five years	482,741	412,431
In more than five years	6,235,725	6,418,717
	<u>6,935,737</u>	<u>7,012,600</u>
Less: finance charges allocated to future periods	(105,650)	(114,306)
	<u>6,830,087</u>	<u>6,898,294</u>
Less: included in amounts due within one year	(90,910)	(73,231)
	<u>6,739,177</u>	<u>6,825,063</u>

The group undertaking loans comprise four loans which are financed by loans from a third party to that group undertaking and have been provided to the company on the same interest and repayment terms. The loans are secured by a fixed and floating charge over the company's assets. The loans bear interest at 5.7% per annum.

Loan:	Due date:	Bullet payment:
Loan 1	2025	£2,359,158
Loan 2	2035	£524,630
Loan 3	2025	£1,514,154
Loan 4	2025	£1,136,006

Loans 1 to 4 are repayable in instalments until the stated date when bullet payments are due.

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

13. Creditors: amounts falling after more than one year (continued)

Loan:	Interest shortfall rolls up:	Due date:
Loan 4	2022	2025

Loan 4 rolls up the interest shortfall into the loan balance on the stated date. Thereafter interest is paid in full and the loans are then repayable in instalments until the due date.

The loans are subject to cross guarantees and cross-collateralisation of the underlying properties used as security with other group loans. The total value of the group loans subject to this cross-collateralisation, including the company's loans, is £101,483,604 (2019: £94,936,415) and the fair value of the financial instruments also subject to the cross-collateralisation is a liability of £31,182,202 (2019: £21,496,710).

14. Provision for liabilities

	Deferred taxation £
1 June 2019	440,641
Profit and loss account	63,078
31 May 2020	<u>503,719</u>

Provision for deferred tax liabilities recognised by the company is as follows:

	2020 £	2019 £
Assets measured at fair value	28,277	20,934
Other timing differences	475,442	419,707
	<u>503,719</u>	<u>440,641</u>

Other timing differences arise on the difference in recognition of net income from the finance lease over the lease term at a constant rate of return and that recognised for tax purposes. These timing differences are not expected to begin reversing until 2021.

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

15. Share capital and reserves

Share capital

	2020 £	2019 £
Allotted, issued and fully paid: 200,000 ordinary shares of £1 each	200,000	200,000

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Reserves

Reserves of the Company represent the following:

Retained earnings

Cumulative profit and loss net of distributions to owners

16. Commitments under operating leases

At the year end, the Company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2020 £	2019 £
Amounts receivable:		
Less than one year	61,637	59,838
Between one and five years	269,422	260,336
After five years	638,252	708,930
	<u>969,311</u>	<u>1,029,104</u>

The operating lease represents amounts due from tenants in respect of the investment property. This relates to one property with current annual income of £61,184 (2019: £59,115) and a lease expiry date of February 2033. The rental agreement contains a rent review every year. The next rent review will take place in February 2021.

17. Ultimate parent company and ultimate controlling party

The company's immediate parent company is Waxford Limited, which is domiciled and incorporated in United Kingdom.

The directors regard the ultimate holding company to be Sunnymist Limited a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

H.A. LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

18. Related party transactions

The company is related to fellow subsidiaries of Sunnymist Limited, with whom in many cases it has directors in common.

Rotch Property Group Limited, one such company, provides management services to the company. At the balance sheet date, and included within amounts owed by group undertakings, £721,732 (2019: £765,665) was due from that company. Management fees payable for the year amounted to £2,400 (2019: £2,400). No interest accrues on this related party balance.

Rotch has agreed not to demand repayment of the amount due to it should that result in the company not being able to meet its obligations in the normal course of business. Rotch has also agreed to provide limited support to assist the company in meeting its operational costs as they arise should this be necessary.

As set out in note 13, the company is party to a cross-collateralisation arrangement in respect of loan facilities as at the year end totalling £101,483,604 (2019: £94,936,415). Of this amount £19,925,265 (2019: £21,705,633) relates to loan facilities with Uni Lease No 1 Limited, a fellow subsidiary of Sunnymist Limited. The fair value of the financial instruments also subject to this cross-collateralisation arrangement is a liability of £31,182,202 (2019: £21,496,710) of which £1,927,445 (2019: £1,918,187) relates to Uni Lease No 1 Limited.

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.