

Hutchison Property Group (UK) Limited

Annual report and financial statements

for the year ended 31 December 2021

Registered number: 04004453



Hutchison Property Group (UK) Limited

Annual report and financial statements For the year ended 31 December 2021

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Hutchison Property Group (UK) Limited

Directors' report

The directors present their Annual Report and the audited financial statements of the Company for the year ended 31 December 2021.

Principal activities and review of the business

The Company's principal activities during the year were provision of services related to the building development and management. The Company charged project management fees and sales consultancy fees to Circadian Limited, and rental collection fees and letting agent fees to Albion Riverside Commercial Limited. No change in the activities of the Company is anticipated in 2022. The directors are satisfied with the level of business and year-end financial position of the Company. The Company's future operations are expected to remain in line with the current year.

Results and dividends

The results and financial position of the Company for the year ended 31 December 2021 are set out in the financial statements. No interim dividend was paid during the year (2020: nil) and the directors do not recommend the payment of a final dividend (2020: nil).

Profit for the financial year of £108,278 (2020 loss: £195,956) has been transferred to reserves. The revenue is £6,615,888 (2020: £6,088,111). The COVID-19 impact is minimal to the operation of the Company due to the working from home arrangement in place. The Company has net assets of £1,411,538 (2020: £1,303,260).

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to the global outbreak of COVID-19, the external economic climate and demands in both commercial and residential property sectors.

The Company has strong internal controls across the business to manage and mitigate the principal risks and uncertainties. These are updated regularly as part of an ongoing continuous improvement programme.

On 31 December 2020, the country resigned its membership of the European Union and left the EU single market and custom union. In addition, the crisis in Ukraine and the financial sanctions against Russia announced by the UK Government may interrupt supplies of commodities, oil, gas and electricity. This has contributed to the increase in cost of living with the rising cost of energy and has led to inflation hitting record high in 40 years. At this point in time, there has been no material impact to ongoing activities. However, the Company continues to closely monitor the position and assess any possible impacts on the going concern of the Company.

Financial risk management

The management manages and assesses the exposure to the following financial risks by the Company to ensure appropriate measures are implemented on a timely and effective manner.

(i) Credit risk

The Company has no significant concentrations of credit risk with third parties.

(ii) Interest rate risk

The Company has no significant interest bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

(iii) Liquidity risk

The Company manages liquidity risk by ensuring that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through management of resources and operating cash flows.

Going concern

The Company has recorded a profit of £108,278 in the year but has net current assets of £1,262,622 and net assets of £1,411,538. The directors have assessed financial forecasts and have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date when the financial statements are authorised for issue. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Hutchison Property Group (UK) Limited

Directors' report (continued)

Going concern (continued)

Given the uncertainty in the UK following the global outbreak of COVID-19, the directors will continue to pro-actively monitor developments to ensure all risks and opportunities for the business are identified as soon as possible. The directors do not currently anticipate material disruption or impact to business arising from COVID-19 and the Company continues to enjoy the support of its shareholders and group companies.

Directors

The following held office as directors during the year and up to the date of signing the financial statements:

Ezra Pau
Eirene Yeung
Raymond Chow
Raymond Tam
Edmond Ho

None of the directors (2020: nil) had any interest in the shares of the Company during the year.

No director beneficially owns any of the ordinary shares or share options of the Company or has had a material interest in contracts of any significance during or at the end of the year.

Directors' and officers' liability insurance and qualifying third party indemnity are provided to the directors of the Company by another company within the CK Asset Holdings group. The CK Asset Holdings group is defined as CK Asset Holdings Limited and its subsidiaries.

Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- The director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(1) to (4) of the Companies Act 2006.

Independent auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed to the shareholder.

Approved by the Board and signed on its behalf by:



Raymond Chow
Director

21 September 2022

Hutchison Property Group (UK) Limited

Directors' responsibilities statement

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Hutchison Property Group (UK) Limited

Independent auditor's report to the members of Hutchison Property Group (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Hutchison Property Group (UK) Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

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 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 Financial Reporting Council's (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

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.

Hutchison Property Group (UK) Limited

Independent auditor's report to the members of Hutchison Property Group (UK) Limited (continued)

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 contained within the annual report. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered 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 considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

Hutchison Property Group (UK) Limited

Independent auditor's report to the members of Hutchison Property Group (UK) Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 not in agreement with the accounting records and returns;
- 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
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Hutchison Property Group (UK) Limited

Independent auditor's report to the members of Hutchison Property Group (UK) Limited (continued)

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.



Andy Siddorns, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

21 September 2022

Hutchison Property Group (UK) Limited

Profit and loss account

For the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover		6,615,888	6,088,111
Cost of sales		(4,699,195)	(4,078,800)
Gross profit		1,916,693	2,009,311
Administrative expenses		(1,780,265)	(2,305,475)
Other operating income	4	-	53,880
Operating profit/(loss)	5	136,428	(242,284)
Interest receivable and similar income	8	493	1,093
Profit/(loss) before taxation		136,921	(241,191)
Tax on profit/(loss)	9	(28,643)	45,235
Profit/(loss) for the financial year and total comprehensive Income/(expense)		<u>108,278</u>	<u>(195,956)</u>

The loss for the financial years above arises from the Company's continuing operations.

The Company has no recognised gains and losses other than the loss for the financial years above and therefore no separate statement of total comprehensive income has been presented.

The notes on pages 11 to 19 form part of these financial statements.

Hutchison Property Group (UK) Limited

Balance sheet

As at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	10	151,200	109,017
Current assets			
Debtors	11	2,617,829	3,230,699
Cash at bank and in hand		2,032,316	2,109,703
		4,650,145	5,340,402
Creditors: amounts falling due within one year	12	(3,387,523)	(4,146,159)
Net current assets		1,262,622	1,194,243
Total assets less current liabilities		1,413,822	1,303,260
Creditors: amounts falling due after more than one year			
Deferred tax liabilities	13	(2,284)	-
Net assets		1,411,538	1,303,260
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account		1,411,537	1,303,259
Shareholder's funds		1,411,538	1,303,260

The financial statements of Hutchison Property Group (UK) Limited (04004453) were approved by the Board of Directors and authorised for issue on 21 September 2022. They were signed on its behalf by:


Raymond Chow
Director


Raymond Tam
Director

The notes on pages 11 to 19 form part of these financial statements.

Hutchison Property Group (UK) Limited

Statement of changes in equity

For the year ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total £
Balance as at 1 January 2020	1	1,499,215	1,499,216
Loss for the year and total comprehensive expense	-	(195,956)	(195,956)
Balance as at 31 December 2020	1	1,303,259	1,303,260
Profit for the year and total comprehensive income	-	108,278	108,278
Balance as at 31 December 2021	1	1,411,537	1,411,538

The notes on pages 11 to 19 form part of these financial statements.

Hutchison Property Group (UK) Limited

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

The principal accounting policies of the Company, which have been applied consistently during the current and previous years, are as follows:

a. General information and basis of accounting

Hutchison Property Group (UK) Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is Hutchison House, 5 Hester Road, Battersea, London, SW11 4AN, United Kingdom. The nature of the Company's operation and its principal activities are set out in the Directors' report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 issued by the Financial Reporting Council and the Companies Act 2006.

The functional currency of the Company is considered to be pounds sterling because this is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, for financial instruments, remuneration of key management personnel and cash flow statement. The Company is consolidated in the financial statements of its ultimate parent undertaking and controlling party, CK Asset Holdings Limited and its registered address is disclosed in note 19.

b. Turnover

Turnover represents net invoiced sales of services, excluding value added tax. Revenue from the sale of services is recognised as the services are performed.

c. Interest receivable

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d. Tangible assets

Tangible assets are stated at historic purchase cost less accumulated depreciation. Depreciation of tangible assets is provided at rates calculated to write off their costs over their estimated useful lives on a straight-line basis at the following annual rates:

Motor vehicles	20%
Plant and equipment	20% - 33.33%
Fixtures and fittings	14.29%

The carrying value of tangible assets is reviewed for impairment in periods when events or changes in circumstances indicate the carrying value may not be recoverable.

e. Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

f. Going Concern

The Company has recorded a profit of £108,278 in the year but has net current assets of £1,262,622 and net assets of £1,411,538. The directors have assessed financial forecasts and have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date when the financial statements are authorised for issue. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Hutchison Property Group (UK) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

g. Foreign currency

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction, except when covered by a forward exchange contract when the contracted rate is used.

Balances at the year-end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

h. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified 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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs). If an arrangement constitutes a financial transaction, the financial asset and financial liability are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

i. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

j. Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Hutchison Property Group (UK) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

k. Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax assets are measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non- discounted basis.

l. Accrued income

Accrued income relates to any sales that are not invoiced before year end.

m. Pensions

The Company contributed towards employees' defined contribution pension schemes. Contributions payable for the year are charged to the profit and loss account. The Company provides no other post-retirement benefit to its employees.

n. Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable.

o. Management services

Where the Company has acted as an estate management agent, the income and expense for the service charge are presented net in the profit and loss account.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, for example, accruals. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors have not identified any critical accounting judgements or key sources of estimation uncertainty this year.

3 Segmental reporting

The Company's activities consist solely of building project development and management in the United Kingdom.

Hutchison Property Group (UK) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

4. Other operating income

	2021 £	2020 £
Government grants from the Job Retention Scheme	-	53,880

5. Operating profit/(loss)

Operating profit/(loss) is stated after charging the following:

	2021 £	2020 £
Depreciation – owned assets (note 10)	30,280	30,575
Fees payable for auditing of the financial statements	13,160	6,385
Directors' emoluments and other benefits (note 6)	329,030	316,998
Foreign currency loss	4	3
Operating lease – land and building	263,430	243,638

There were no non-audit services provided by the auditor to the Company in either period.

6. Directors' emoluments

	2021 £	2020 £
Aggregate emoluments for 1 director (2020: 1 director)	329,030	316,998

None of the other directors received any emoluments in respect of their services to the Company during the year (2020: nil).

7. Employee information

	2021 £	2020 £
Wages and salaries	4,321,791	3,873,181
Social security costs	534,400	496,237
Other pension costs (note 17)	639,255	675,881
	<u>5,495,446</u>	<u>5,045,299</u>

Average monthly number of employees employed including director:

	2021 Number	2020 Number
Director	1	1
Project	30	26
Sales and marketing	5	4
Administration	15	14
	<u>51</u>	<u>45</u>

Hutchison Property Group (UK) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

8. Interest receivable and similar income

	2021 £	2020 £
Bank interest income	493	1,093

9. Tax on profit/ (loss)

(a) Analysis of tax in the year

	2021 £	2020 £
Current tax:		
UK corporation tax on profit for the year at 19% (2020: 19%)	(25,317)	-
Adjustments in respect of prior years	46,245	84,264
	20,928	84,264
Deferred tax:		
Origination and reversal of temporary differences (note 14)	(3,326)	(1,010)
Deferred tax on losses	-	46,245
Adjustments in respect of prior years	(46,245)	(84,264)
	(49,571)	(39,029)
Tax charge on profit/ tax credit on loss	(28,643)	45,235

(b) Factors affecting current tax (charge)/credit for the year

The tax charge/(credit) assessed for the year is higher (2020: tax credit was lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) before taxation	136,921	(241,191)
Taxation (charge)/credit at 19% (2020: 19%)	(26,015)	45,826
Effects of:		
Expenses not deductible for tax purposes	(1,766)	1,072
Capital allowance in excess of depreciation	2,464	(653)
Origination and reversal of timing differences	(3,326)	(1,010)
Total tax	(28,643)	45,235

Hutchison Property Group (UK) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

9 Tax on loss (continued)

The corporation tax rate in the UK remained at 19% for 2020 (2020: 19%). Accordingly, the Company's profits for this financial year are taxed at an effective rate of 19% (2020 losses: 19%).

Finance Bill 2021 enacted provisions to increase the main rate of UK corporation tax to 25% from 1 April 2023 and introduced a small profits rate set at 19% for companies with profits up to £50,000, along with associated companies rules.

10. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Plant and equipment £	Total £
Cost				
At 1 January 2021	456,999	30,139	170,849	657,987
Additions during the year	31,529	-	40,934	72,463
At 31 December 2021	488,528	30,139	211,783	730,450
Accumulated depreciation				
At 1 January 2021	385,724	19,591	143,655	548,970
Charge for the year	14,009	6,028	10,243	30,280
At 31 December 2021	399,733	25,619	153,898	579,250
Net book value				
At 31 December 2021	88,795	4,520	57,885	151,200
At 31 December 2020	71,275	10,548	27,194	109,017

11. Debtors

	2021 £	2020 £
Tax recoverable	1,679	-
Deferred tax asset (note 14)	-	47,287
Amounts due from group undertakings	2,235	826
Amounts due from related entities (note 18)	16,486	88,634
Other debtors	14,804	13,392
Prepayments and accrued income	2,582,625	3,080,560
	<u>2,617,829</u>	<u>3,230,699</u>

All debtors are due within one year. Within prepayments and accrued income is £2,489,344 (2020: £2,939,358) of accrued income in respect of group undertakings and related entities.

The amounts due from fellow group undertakings and fellow related entities are unsecured, interest free and repayable on demand.

Hutchison Property Group (UK) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	77,250	48,101
Amounts owed to group undertaking	1,314,418	1,304,246
Amounts owed to related entities (note 18)	683,350	1,364,147
VAT payable	424,808	696,431
Other taxation and social security	238,019	210,196
Accruals and deferred income	649,678	523,038
	<u>3,387,523</u>	<u>4,146,159</u>

VAT payable in 2020 includes deferred 2020 Quarter one VAT payment under the COVID-19 VAT payment deferral scheme.

The amounts owed to immediate parent group undertaking and fellow related entities are unsecured, interest free and repayable on demand.

13. Creditors: amount falling due after more than one year

	2021 £	2020 £
Deferred tax liability (note 14)	2,284	-
	<u>2,284</u>	<u>-</u>

14. Deferred tax

	2021 £	2020 £
Depreciation in excess of capital allowances	(2,284)	1,042
Unused tax losses	-	46,245
	<u>(2,284)</u>	<u>47,287</u>

At 1 January	47,287	86,316
Deferred tax of 19% (2020: 19%) for the financial year (note 9)	<u>(49,571)</u>	<u>(39,029)</u>
At 31 December	<u>(2,284)</u>	<u>47,287</u>

15. Called up share capital

	2021 £	2020 £
Allotted and fully paid:		
1 (2020: 1) ordinary share of £1 each	<u>1</u>	<u>1</u>

Hutchison Property Group (UK) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

16. Operating lease commitments

At 31 December, the Company had non-cancellable future operating lease commitments as follows:

	Land and buildings	
	2021	2020
	£	£
Within one year	254,430	254,430
Within two to five years	1,017,720	1,017,720
Over five years	1,865,820	2,120,250
	<u>3,137,970</u>	<u>3,392,400</u>

17. Pension costs

The Company operates a defined contribution personal pension plan. The pension plan is voluntary. The Company's employees have the option to join the scheme on completion of the probationary period.

	2021	2020
	£	£
Pension costs for the financial year	<u>639,255</u>	<u>675,881</u>

The pension amounts payable is £132,429 (2020: £83,757).

18. Related party transactions

During the year, the Company charged project management fees of £3,803,209 (2020: £3,580,076), sales consultancy fees of £79,335 (2020: £142,546) and professional fee income of £3,000 (2020: £12,900) to Circadian Limited, a subsidiary of CK Asset Holdings Limited, and had accrued income of £1,021,189 (2020: £1,796,135) at the year end from the same company. In addition, at the balance sheet date, included in amounts due from related entities is £16,293 (2020: £88,375) with Circadian Limited.

During the year, the Company invoiced rental collection fees of £71,160 (2020: £60,153), letting agent fees of £6,669 (2020: £12,936) and professional fee income of Nil (2020: £500) to Albion Riverside Commercial Limited, and had accrued income of Nil (2020: £17,278) at year end from the same company.

During the year, the Company incurred rental expenses and car park rental expenses totalling £263,430 (2020: £243,638) that were payable to Albion Riverside Commercial Limited.

During the year, the Company charged professional fee income of £10,130 (2020: £17,875) to Albion Properties Limited.

At the balance sheet date, included in amounts owed to related entities is £683,350 (2020: £1,364,147) due to Albion Riverside Commercial Limited. Included in amounts due from related entities is £184 (2020: £73) due from Albion Properties Limited and £9 (2020: £186) due from Albion Residential Limited. Albion Riverside Commercial Limited, Albion Properties Limited and Albion Residential Limited are all subsidiaries of CK Asset Holdings Limited.

The Company has taken advantage of the exemption contained in S33.1A of FRS 102 "Related party disclosures" from disclosing related party transactions within the group.

Hutchison Property Group (UK) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

19. Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is Hutchison UK Property Holdings Limited, a company incorporated in the British Virgin Islands.

The Company's ultimate parent undertaking and controlling party is CK Asset Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands. The address of the registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The group financial statements of CK Asset Holdings Limited, which is both the largest and smallest group into which the financial results of the Company are consolidated, can be obtained from 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.