

Hull Retail Limited

Report and Financial Statements

Year Ended

31 December 2018

Company Number 05711418



Hull Retail Limited

Report and financial statements for the year ended 31 December 2018

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Directors

Hull Property Investments Limited
HVL Worthing Limited
P Jacobs
G H Gosling

Secretary and registered office

HVL Worthing Limited, Philip Harris House, 1A Spur Road, Orpington, Kent, BR6 0PH

Company number

05711418

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Hull Retail Limited

Directors' report for the year ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Results

The income statement is set out on page 6 and shows the profit for the year (2017 - loss).

The directors do not recommend the payment of a final dividend (2017 - £Nil).

Principal activities and review of the business

The company's principal activity is that of property investment.

The results for the year and financial position of the company at 31 December 2018 are as shown in the annexed financial statements.

Both the results for the year, and the year-end financial position were satisfactory. The directors consider future prospects to be satisfactory.

Directors interests

The directors of the company during the year were:

Hull Property Investments Limited
HVL Worthing Limited
P Jacobs
G H Gosling

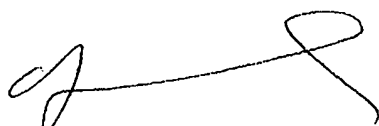
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By order of the Board



Paul Jacobs
Director

Date 27 June 2019

Hull Retail Limited

Directors' responsibilities statement for the year ended 31 December 2018

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 these financial statements, the directors are required to:

- select suitable accounting policies and then 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.

Hull Retail Limited

Independent auditor's report

TO MEMBERS OF HULL RETAIL LIMITED

Opinion

We have audited the financial statements of Hull Retail Limited ("the Company") for the year ended 31 December 2018 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

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.

Hull Retail Limited

Independent auditor's report (continued)

Other information

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

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.

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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Hull Retail Limited

Independent auditor's report (*continued*)

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 at 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.

BDO LLP

Anna Draper (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date 27 June 2019

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

Hull Retail Limited

Statement of income and retained earnings for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	7,939	6,517
Share of revaluation of investment property		(236)	(9,864)
Administrative expenses		(1,835)	(1,898)
Operating profit/(loss) and profit/(loss) on ordinary activities before taxation	4	5,868	(5,245)
Taxation on (profit)/loss from ordinary activities	5	(1,160)	(889)
Profit/(loss) on ordinary activities after taxation		4,708	(6,134)
Retained earnings			
Retained earnings at 1 January		48,535	54,669
Retained earnings at 31 December		53,243	48,535

All amounts relate to continuing activities

The notes on pages 9 to 12 form part of these financial statements.

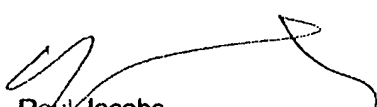
Hull Retail Limited

Balance sheet at 31 December 2018

Company number 05711418	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	6		82,370		82,606
Current assets					
Debtors	7	95,530		87,591	
Creditors: amounts falling due within one year	8	(191,755)		(188,760)	
Net current liabilities			(96,225)		(101,169)
Net liabilities			(13,855)		(18,563)
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account			53,243		48,535
Revaluation reserve			(67,100)		(67,100)
Shareholders' deficit			(13,855)		(18,563)

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board and authorised for issue on 27 June 2019


Paul Jacobs
Director

The notes on pages 9 to 12 form part of these financial statements.

Hull Retail Limited

Statement of cash flows for the year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	4,708	(6,134)
<i>Adjustments for:</i>		
Revaluation of fixed assets	236	9,864
Taxation expense	1,160	889
Increase in trade and other debtors	(7,939)	(6,517)
Increase in trade and other creditors	2,724	2,836
	<hr/>	<hr/>
Cash generated from operations	889	938
Taxation paid	(889)	(938)
	<hr/>	<hr/>
Net cash flows from operating activities	-	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	-	-
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The notes on pages 9 to 12 form part of these financial statements.

Hull Retail Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

Hull Retail Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies, as detailed in note 2. The following principal accounting policies have been applied:

Basis of preparation

At 31 December 2018 the company had net liabilities of £13,855 (2017 - £18,563) and net current liabilities of £96,225 (2017 - £101,169).

The financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern assumption, the directors have taken into consideration the company's cash flow forecasts and the company's present level of funding. The shareholders have indicated that they will not withdraw the existing financial support to the company for at least a year from the date of approval of these financial statements. The directors are therefore confident that they have sufficient working capital and consider that adequate longer term funding will remain in place and consequently the company will continue as a going concern. No adjustments have been made to the carrying value of both assets and liabilities, that might be required should the going concern basis be inappropriate.

Joint arrangements

The company has entered into commercial arrangements with other investors resulting in property interests being held indirectly through jointly controlled legal entities. These legal entities do not carry on trades of their own, rather are just a means by which the investors hold an interest in property assets. In accordance with Section 15 of FRS 102 'Investments in joint ventures', and in order to reflect their true economic substance, the company accounts directly for its own share of the assets, liabilities and cash flows of these joint arrangements. The joint arrangement is represented as a holding of 1% of Hull Unit Trust.

Turnover

Turnover represents the rental income receivable, service charges and other recoveries from investment properties in the United Kingdom. In circumstances where a tenant has been given an incentive to enter into a lease by way of a payment, the incentive is treated as a reduction in rental income. The incentive is amortised on a straight line basis over the life of the lease. Where an incentive is given to a tenant by way of a rent free period, the total rental income receivable for the period over the life of the lease is recognised on a straight-line basis over that same term, in accordance with section 20 of FRS 102.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Investment properties

Investment properties are carried at fair value determined annually by the members and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Hull Retail Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

- Determine whether there are indicators of impairment of the investment properties. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset, including assessment of the economic environment and location of the premises.

Other key sources of estimation uncertainty

Investment properties (note 6)

Investment properties are valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations were:

- Annual rent per square foot: £5.66 to £20.32
- Yield rate: 8.5%

3 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

4 Operating profit/(loss)

	2018 £	2017 £
This has been arrived at after charging:		
Fees payable to the Company's auditors in relation to:		
- Audit services	671	646
- Tax services	1,164	1,117
	<u>1,835</u>	<u>1,763</u>

All directors are remunerated from fellow group undertakings.

Hull Retail Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

5 Taxation on profit/(loss) on ordinary activities

	2018 £	2017 £
<i>UK corporation tax</i>		
Current tax	1,160	889
Total current tax	1,160	889
<i>Deferred tax</i>		
Movement in period in relation to prior periods	-	-
Total deferred tax	-	-
Taxation on profit/(loss) on ordinary activities	1,160	889

The tax assessed for the year is higher (2017 – higher than) the standard rate of corporation tax in the UK. The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	5,868	(5,245)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	1,115	(1,010)
Effects of:		
Expenses not deductible for tax purposes	45	1,899
Current tax charge for the year	1,160	889

6 Fixed assets

	Investment property £
At 1 January 2018	82,606
Revaluation	(236)
At 31 December 2018	82,370

The directors are of the opinion that the underlying share of the value of the investment properties stated above is not materially different to the open market value.

The Company's share of the historical cost of the investment property held at 31 December 2018 was £166,227 (2017 - £166,227).

Hull Retail Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

7 Debtors

	2018 £	2017 £
Amounts due from related undertakings	95,530	87,591

All amounts shown under debtors fall due for payment within one year, are unsecured and interest free.

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Corporation tax	1,166	895
Amounts due to related undertakings	188,754	186,102
Accruals	1,835	1,763
	<u>191,755</u>	<u>188,760</u>

9 Share capital

	Allotted, called up and fully paid 2018 £	2017 £
<i>Equity share capital</i>		
Ordinary shares of £1 each	2	2

10 Reserves

The company's capital and reserves are as follows:

Share Capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits & losses net of dividends paid and other adjustments.

11 Related party transactions

During the year rent of £61,380 (2017 - £35,805) was received from Tapi Carpets & Floors Limited on normal commercial terms. Martin Harris, Peter Harris and Paul Jacobs are directors of Tapi Carpets & Floors Limited and Harris Ventures Limited, the ultimate holding company of one of the joint venture partners.

Worthing Retail LLP holds 99% of the units in the Hull Unit Trust and the remaining 1% are held by Hull Retail Limited. Included within debtors are amounts due from the Hull unit Trust of £95,530 (2017 - £87,591). Included within creditors are amounts due to Worthing Retail LLP of £188,754 (2017 - £186,102).

12 Ultimate controlling party

The company is controlled as a joint venture by Harris Ventures Limited and Ashflame Properties Limited.