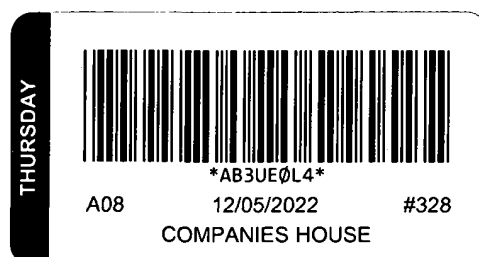


Hines Europe Real Estate Investments Limited

Directors' Report and Financial Statements
For the year ended 31 December 2021



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General Information

Directors

Alexander W. N. Knapp

Paul M White

Peter Epping (resigned 31st December 2021)

Eleni Vakali (appointed 4th February 2022)

Bankers

Natwest PLC

London Sloane Square Branch

The Willett Building

2 Sloane Gardens

London

SW1W 8DL

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

(Up to 27th January 2022)

Ernst & Young, Ireland

EY Building

Harcourt Centre

Harcourt Street

Dublin 2

(Appointed 27th January 2022)

Registered Office

5 Welbeck Street

London

W1G 9YQ

Directors' report

The directors present their report and financial statements for the year ended 31 December 2021.

Results

The loss for the year ended 31 December 2021 amounted to £331,702 (2020 profit : £279,742).
No dividends were declared or paid in respect of the year ended 31 December 2021 (2020: £nil).

Incorporation and regulation

The company was incorporated on 30 July 2010.
The company is authorised and regulated by the Financial Conduct Authority, effective from 1 April 2011 (registered number: 530745). Hines Europe Real Estate Investments Limited is a BIPRU/MIFID investment firm.

Principal activity and review of the business

The principal activity of the company is the provision of real estate investment services. The results from the operations of the German branch (liquidated on 16/06/2021) and the Irish branch (liquidated on 19/11/2021) are included in the attached financial statements.

The company's key financial performance indicator for the year is operating profit/loss. Operating loss for year ended 31 December 2021 amounted to £325,828 (2020 profit: £405,588).

Future Developments

The firm intends to maintain the current business model of providing real estate investment services and does not anticipate any changes to the business.

The Firm has been working on implementation of the FCA's new Investment Firms Prudential Regime (IFPR) which came into force on 01 January 2022. The Firm anticipates it will submit its first ICARA report to the FCA during June 2022.

Going concern

The directors have considered the business activities of the company, together with the factors likely to affect its future development and its financial position and have concluded that the company will have adequate resources to continue in business for the foreseeable future, being at least 12 months from the date of approval of these financial statements. A related entity has also given an assurance that it will provide financial support to the company for a period of at least 12 months from the approval of these financial statements. Accordingly, the going concern basis of accounting has been adopted.

The directors have considered the impact of Covid-19 on the business and have found that there will not be a significant impact on the operations of the company. Any increase/decrease in expenses will be matched by a similar gain/loss in revenue.

Directors' report (continued)

Principal risks and uncertainties

The recoverability of receivable balances is monitored on an ongoing basis and appropriate management of secondees is implemented in relation to staff on secondment to the company.

Brexit

The Company has taken several steps to mitigate the impact of BREXIT on business operations over the course of 2021, including:

- Registration of all relevant funds marketed by Hines Europe Real Estate Investments Limited on behalf of Hines Luxembourg Investment Management within the UK Temporary Permissions for EU funds.
- Deregistration of both the German and Irish branches of Hines Europe Real Estate Investments Limited on the 16th June 2021 and 19th November 2021 respectively.
- Where permitted the Company has notified/applied for cross-border services and will continue to do so as needed.

Impact of Covid-19

The directors have considered the impact of Covid-19 on the business and have found that there will not be a significant impact on the operations of the company. Any increase/decrease in expenses will be matched by a similar gain/loss in revenue.

Directors

The directors of the company who served during the year ended 31 December 2021 and subsequent to that date were as follows:

Alexander W. N. Knapp

Paul M White

Peter Epping (resigned 31st December 2021)

The company purchased and maintained liability insurance for its directors and officers as permitted by section 233 of the Companies Act 2006.

Strategic Report

The company has taken advantage of the small companies exemption from the requirement to prepare a strategic report.

Disclosure of information to auditors


So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made inquiries of the fellow director and the company's auditor, each director has taken all the steps that she/he is obliged to take as a director in order to make herself/himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report (continued)

Re-appointment of Auditors

Ernst and Young LLP resigned as auditor of the company as of 27th January 2022 and the board appointed Ernst and Young, Ireland as auditor.

On behalf of the Board of Directors by:

DocuSigned by:

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Eleni Vakali

Director

Date: 27-04-2022

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), including Financial Reporting Standard 102 - 'The Financial Reporting Standard Applicable in the United Kingdom 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HINES EUROPE REAL ESTATE INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Hines Europe Real Estate Investments Limited (the 'Company') for the year ended 31 December 2021 which comprise the Balance Sheet, the Statement of comprehensive income, and the related notes 1 to 14, 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 Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 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 the 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

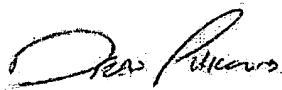
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are:
 - Companies Act 2006
 - Financial Reporting Council (FRC)
 - Tax compliance regulation in the United Kingdom, Germany, and Ireland.
- We gained an understanding of how the Company is complying with the frameworks through discussions with key management personnel. We inquired as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We also reviewed compliance with the Financial Conduct Authority by requesting and reviewing correspondence between the Company and the Financial Conduct Authority.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by holding discussions with key management personnel. We performed journal entry testing by testing manual journals processed as part of the financial statement close process and making inquiries regarding the existence of non-routine or unusual transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiry with key management and reviewing key policies, the legal compliance log, reviewing minutes of meetings of the board of directors and performing sample testing of legal expenses.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dean Phillips
for and on behalf of Ernst & Young, Statutory Auditor
Dublin
Date 27 April 2022

Statement of Comprehensive Income

For the year ended to 31 December 2021

| | | 31 December 2021 | 31 December 2020 |
|-------------------------------------------------------------------------------------|-------|-------------------------|-----------------------|
| | Notes | £ | £ |
| Turnover | 3 | 6,314,838 | 4,142,363 |
| Operating Expenses | 4 | <u>(6,640,666)</u> | <u>(3,736,775)</u> |
| Operating (loss)/profit before taxation | | (325,828) | 405,588 |
| Tax on ordinary activities | 7 | <u>(5,874)</u> | <u>(125,846)</u> |
| (Loss)/profit for the year | | <u><u>(331,702)</u></u> | <u><u>279,742</u></u> |
| Foreign exchange movements arising from the translation of overseas branches | | <u>(101,483)</u> | <u>35,924</u> |
| Total comprehensive (Loss)/ income for the year | | <u><u>(433,185)</u></u> | <u><u>315,666</u></u> |

The notes form part of these financial statements.

Balance Sheet

at 31 December 2021

| | | 31 December 2021 | 31 December 2020 |
|-----------------------------------------------|-------|------------------|------------------|
| | Notes | £ | £ |
| Current assets | | | |
| Debtors: amounts falling due within one year | 8 | 4,127,828 | 2,153,682 |
| Cash at bank and in hand | | 1,275,922 | 1,050,447 |
| | | <u>5,403,750</u> | <u>3,204,129</u> |
| Creditors: Amount falling due within one year | 9 | <u>4,104,909</u> | <u>1,472,103</u> |
| Net current assets | | <u>1,298,841</u> | <u>1,732,026</u> |
| Total assets less current liabilities | | <u>1,298,841</u> | <u>1,732,026</u> |
| Net assets | | <u>1,298,841</u> | <u>1,732,026</u> |
| Capital and reserves | | | |
| Share Capital | 10 | 115,101 | 115,101 |
| Share Premium | 11 | 499,999 | 499,999 |
| Reserves | 11 | — | 81,723 |
| Retained earnings | 11 | <u>683,741</u> | <u>1,035,203</u> |
| Total shareholder's funds | | <u>1,298,841</u> | <u>1,732,026</u> |

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

The notes form part of these financial statements.

Signed on behalf of the Board of Directors by:

DocuSigned by:

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Eleni Vakali
 Director
 Date: 27-04-2022

Notes to the financial statements at 31 December 2021

1. Corporate information

The company is a private limited company limited by shares incorporated in England and domiciled in the United Kingdom. The principal activities of the company are described in the Directors' report.

2. Accounting Policies

Basis of preparation and statement of compliance

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The financial statements are presented in sterling and all values are rounded to the nearest pound (£), except when otherwise indicated.

The Company has taken the exemption under section 1A.7 of FRS 102 from the requirement to prepare a statement of changes in equity or a statement of cash flows for the financial period.

Going Concern

The directors have considered the business activities of the company, together with the factors likely to affect its future development and its financial position and have concluded that the company will have adequate resources to continue in business for the foreseeable future, being at least 12 months from the date of approval of these financial statements. A related entity has also given an assurance that it will provide financial support to the company for a period of at least 12 months from the approval of these financial statements. Accordingly, the going concern basis of accounting has been adopted.

The directors have considered the impact of Covid-19 on the business and have found that there will not be a significant impact on the operations of the company. Any increase/decrease in expenses will be matched by a similar gain/loss in revenue.

Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgment (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements.

Principle versus agent relationships

The company regularly reviews the criteria for recognising revenue on a gross versus net basis by reference to the changes in nature of business transactions or agreements concluded. The presentation and disclosure is aimed to properly reflect the underlying nature of the risk and rewards of the transactions during the year.

Estimates and Assumptions

Management consider that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notes to the financial statements at 31 December 2021

Summary of Accounting Policies

Deferred taxation

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

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Revenue recognition

Turnover comprises revenue recognised by the company in respect of services supplied, exclusive of value added tax. Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Foreign Currencies

The functional currency of the company is GBP. Transactions in foreign currencies are recorded at the exchange rates ruling on the dates of those transactions. Foreign currency, monetary assets and liabilities are translated into GBP at year end rates. The rate applied at 31 December 2021 is £0.83946 to €1 and the average rate used for the profit and loss account is £0.85994 to €1. The foreign exchange differences arising from the retranslation of the foreign branches are transferred to reserves.

Fixed Assets and Depreciation

Fixed assets are stated at their cost less depreciation, less any impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery - 5 years

Financial Instruments

The company has no derivative instruments. The company has basic financial instruments as follows:

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand. They are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable are recorded at transaction price. Any losses arising from impairment would be recognised in the income statement in the year.

Notes to the financial statements

at 31 December 2021

3. Turnover

The whole of the turnover is attributable to real estate investment services. The turnover attributable to each geographical location is as follows:

| | 31 December 2021 | 31 December 2020 |
|---------|------------------|------------------|
| | £ | £ |
| UK | 6,052,671 | 644,992 |
| Germany | 62,790 | 3,311,182 |
| Ireland | 199,376 | 186,189 |
| | <u>6,314,838</u> | <u>4,142,363</u> |

The turnover from related parties (Note 12) amounted to £5,872,742 (2020: £4,142,363).

The results from the operations of the German branch (liquidated on 16/06/2021) and the Irish branch (liquidated on 19/11/2021) are included in the above note.

4. Operating profit before taxation

| | Notes | 31 December 2021 | 31 December 2020 |
|--------------------------------|-------|------------------|------------------|
| This is stated after charging: | | £ | £ |
| Auditor's Remuneration | 5 | 22,279 | 23,030 |
| Staff costs | | 5,050,211 | 3,226,004 |
| Legal and professional charges | | 267,358 | 362,918 |
| Insurance | | 389,930 | — |
| Forex losses/(gains) | | 49,021 | 1,381 |
| Other operating charges | | 861,868 | 123,442 |

The operating costs recharged from related parties (Note 12) were £5,482,818 (2020: £3,353,470).

5. Auditor's Remuneration

| | 31 December 2021 | 31 December 2020 |
|-----------------------------------------------------------|------------------|------------------|
| The remuneration of the auditor's is analysed as follows: | £ | £ |
| Audit of the financial statements | 22,279 | 21,630 |
| Other fees to auditors: | | |
| Other services pursuant to legislation | — | 1,400 |
| Total | <u>22,279</u> | <u>23,030</u> |

Notes to the financial statements at 31 December 2021

6. Staff costs

The UK company does not have any employees (2020: nil).

The German branch had four full time employees during the year, before liquidation (2020: four).

Other staff are seconded from Hines Europe Limited, Hines Europe LLC, Hines UK Limited, Hines Immobilien GmbH and Hines Real Estate Ireland Limited, which are all subsidiaries of the company's ultimate parent, Hines International Real Estate Holdings Limited Partnership. The amount attributable to the German branch is £29,330 (2020: £2,885,362), and the amount attributable to the Irish branch is £140,995 (2020: £136,987).

The directors are remunerated by other entities in the Hines Group. The proportion of their remuneration which relates to regulated activity and is therefore recharged in to Hines Europe Real Estate Investments Limited is £2,085,136 (2020: £43,088).

The highest paid director's remuneration which relates to regulated activity and is therefore recharged in to Hines Europe Real Estate Investments Limited is £755,588 (2020: £37,122).

Notes to the financial statements at 31 December 2021

7. Tax

| | 31 December 2021 | 31 December 2020 |
|--------------|------------------|------------------|
| Current Year | £ | £ |
| UK | — | 8,757 |
| Germany | 3,609 | 114,633 |
| Ireland | 2,265 | 2,449 |
| | <u>5,874</u> | <u>125,839</u> |
| Prior Year | | |
| Germany | — | 7 |
| | <u>—</u> | <u>7</u> |
| Total | <u>5,874</u> | <u>125,846</u> |

Factors affecting the current tax charge

| | UK | Germany | Ireland | Total |
|-------------------------------------------------------------------------------------------------------------------------|-----------|--------------|--------------|--------------|
| | £ | £ | £ | £ |
| Profit / (Loss) on ordinary activities before tax | (354,969) | 11,016 | 18,125 | (325,828) |
| Tax Adjustments | | | | — |
| Adjusted profits before tax | (354,969) | 11,016 | 18,125 | (325,828) |
| Profit on ordinary activities multiplied by the averaged standard rate of corporation tax in the UK of 19% (2019 - 19%) | — | — | — | — |
| Corporation Tax payable in Germany | — | 3,609 | — | 3,609 |
| Corporation Tax payable in Ireland | — | — | 2,265 | 2,265 |
| Current tax charge | <u>—</u> | <u>3,609</u> | <u>2,265</u> | <u>5,874</u> |

At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

At Spring Budget 2021, the government announced an increase in the Corporation Tax main rate from 19% to 25% for companies with profits over £250,000 together with the introduction of a small profits rate of 19% with effect from 1 April 2023. The small profits rate will apply to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000.

Notes to the financial statements at 31 December 2021

8. Debtors

| | 31 December 2021 | 31 December 2020 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Amount falling due within one year: | | |
| Other debtors | 7,051 | 2,027,418 |
| Accrued Income | 3,893,891 | 112,449 |
| Prepayments | 211,068 | 13,815 |
| Corporation Tax | 15,818 | — |
| Total | <u>4,127,828</u> | <u>2,153,682</u> |

9. Creditors

| | 31 December 2021 | 31 December 2020 |
|-----------------|------------------|------------------|
| | £ | £ |
| Trade creditors | — | 20,327 |
| Accruals | 4,104,910 | 1,391,400 |
| Corporation tax | — | 60,376 |
| Total | <u>4,104,910</u> | <u>1,472,103</u> |

10. Authorised and issued share capital

| | 31 December 2021 | 31 December 2020 |
|--------------------------------------------------------------------------------------|------------------|------------------|
| | £ | £ |
| Authorised, allotted, called up and fully paid 115,101 ordinary shares of £1 each | <u>115,101</u> | <u>115,101</u> |

11. Reconciliation of movements in reserves

| | Share Capital | Share Premium | Foreign Currency Translation Reserve | Retained earnings | Total shareholders' funds |
|----------------------------|----------------|----------------|--------------------------------------|-------------------|---------------------------|
| | £ | £ | £ | £ | £ |
| As at 31 December 2019 | 115,100 | — | 45,799 | 755,461 | 916,360 |
| Other comprehensive income | | | 35,924 | | 35,924 |
| Profit for the period | | | | 279,742 | 279,742 |
| Share Issue | 1 | 499,999 | | | 500,000 |
| As at 31 December 2020 | 115,101 | 499,999 | 81,723 | 1,035,203 | 1,732,026 |
| Other comprehensive income | | | (81,723) | | (101,483) |
| Loss for the period | | | | (331,702) | (331,702) |
| As at 31 December 2021 | <u>115,101</u> | <u>499,999</u> | <u>—</u> | <u>683,741</u> | <u>1,298,841</u> |

Foreign currency translation reserve relates to foreign exchange movements arising from the translation of overseas branches.

Notes to the financial statements at 31 December 2021

12. Related parties

At 31 December, amounts due from related parties was as follows:

| | 31 December 2021 | 31 December 2020 |
|------------------------------------------------|------------------|------------------|
| | £ | £ |
| Hines Luxembourg Investment Management S.a.r.l | 3,799,019 | — |
| Hines International Real Estate Holdings LP | 67,192 | 2,020,644 |
| Hines Real Estate Ireland Limited | 56,921 | 44,271 |
| Opal HoldCo S.a r.l. | 64,367 | 66,387 |
| Hines Europe Real Estate Investments LLC | — | 4,582 |
| Total | <u>3,987,499</u> | <u>2,135,884</u> |

At 31 December, the following amounts due to related parties were accrued for:

| | 31 December 2021 | 31 December 2020 |
|----------------------|------------------|------------------|
| | £ | £ |
| Hines Europe Limited | 3,337,121 | — |
| Hines Europe LLC | 659,570 | — |
| Hines UK Limited | 85,366 | — |
| Hines Luxembourg | 64,367 | 66,387 |
| | <u>4,146,424</u> | <u>66,387</u> |

The turnover from related parties during the year was as follows:

| | 31 December 2021 | 31 December 2020 |
|------------------------------------------------|------------------|------------------|
| | £ | £ |
| Hines Luxembourg Investment Management S.a.r.l | 5,033,829 | — |
| Hines International Real Estate Holdings LP | 575,170 | 3,889,787 |
| Hines Real Estate Ireland Limited | 199,376 | 186,189 |
| Opal HoldCo S.a r.l. | 64,367 | 66,387 |
| Total | <u>5,872,742</u> | <u>4,142,363</u> |

Notes to the financial statements

at 31 December 2021

12. Related parties (continued)

The operating costs recharged from related parties during the year were as follows:

| | 31 December 2021 | 31 December 2020 |
|-----------------------------------|------------------|------------------|
| | £ | £ |
| Hines Europe Limited | 4,146,817 | 228,501 |
| Hines Europe LLC | 1,002,751 | 4,176 |
| Hines UK Limited | 85,366 | — |
| Hines Luxembourg | 64,367 | 66,387 |
| Hines Immobilien GmbH | — | 2,885,362 |
| Hines Real Estate Ireland Limited | 183,517 | 169,044 |
| Total | <u>5,482,818</u> | <u>3,353,470</u> |

Notes to the financial statements at 31 December 2021

13. Parent undertaking and controlling entity

The company's immediate parent entity has changed in the year with Hines Europe Real Estate Investments LLC, a company incorporated in the United States of America, buying 100% of the share capital from Hines Europe Limited.

The company's ultimate parent is Hines International Real Estate Holdings Limited Partnership, a partnership registered in the United States of America. The largest and smallest group in which the results of the company are consolidated is that headed by Hines International Real Estate Holdings Limited Partnership, the financial statements of which are not available to the public.

14. Subsequent Events

Ms Eleni Vakali was appointed as a Director of Hines Europe Real Estate Investments Limited on 4th February 2022.

The Directors have considered the potential impact of the Russia-Ukraine war, and related international sanctions, on the business and have found that there will not be a significant impact on the operations or performance of the company. There are no real estates assets located in Russia or Ukraine in the portfolio.