

## **HUK 10 Limited**

### **Directors' report and financial statements**

For the period ended 31 December 2016

Registered number: 07530828

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COMPANIES HOUSE

## Company Information

<b>Directors</b>	Paul McGowan <i>Christopher Emmott (appointed 20 December 2016)</i>
<b>Company secretary</b>	Inca Lockhart-Ross
<b>Registered number</b>	07530828
<b>Registered office</b>	7 River Court Brighthouse Business Village Brighthouse Road Middlesbrough TS2 1RT
<b>Independent auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Natwest Bank Plc 106 Linthorpe Road Middlesbrough TS1 2JZ
<b>Solicitors</b>	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

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## **Directors' report**

For the period ended 31 December 2016

The directors present their report and the financial statements of HUK 10 Limited ('the company') for the period ended 31 December 2016.

### **Principal activity**

The principal activity of the company is that of financial intermediation and non-trading restructuring operations.

### **Dividends paid**

Dividends paid in the period amount to £1,500,000 (period ended 2 January 2016 -£2,400,000).

### **Directors**

The directors who served during the period were:

Paul McGowan

Christopher Emmott (appointed 20 December 2016)

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgments 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.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Directors' report (continued)**

For the period ended 31 December 2016

**Small company regime**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28 March 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Paul McGewan', is written over a horizontal line.

**Paul McGewan**  
Director

**Independent auditor's report to the members of HUK 10 Limited**  
For the period ended 31 December 2016

We have audited the financial statements of HUK 10 Limited for the period ended 31 December 2016, set out on pages 5 to 10. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

**Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit or loss for the period 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.

**Opinion on other matter 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 period for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our 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.

## Independent auditor's report to the members of HUK 10 Limited (continued)

For the period ended 31 December 2016

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Peter Chapman (Senior statutory auditor)  
for and on behalf of

**Buzzacott LLP**  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

28 March 2017

## Statement of comprehensive income

For the period ended 31 December 2016

		52 week period ended 31 December 2016 £	52 week period ended 2 January 2016 £
Turnover		-	1,436,957
<b>Gross profit</b>		-	1,436,957
Administrative expenses		<b>1,346,852</b>	24,426
<b>Operating profit</b>		<b>1,346,852</b>	1,461,383
Interest receivable and similar income	4	<b>732,590</b>	1,143,579
Interest payable and expenses	5	-	(320,468)
<b>Profit before tax</b>		<b>2,079,442</b>	2,284,494
Tax on profit		<b>(415,888)</b>	(258,054)
<b>Profit for the period</b>		<b>1,663,554</b>	2,026,440

There was no other comprehensive income for 2016 (period ended 2 January 2016: £NIL).

The notes on pages 7 to 10 form part of these financial statements.

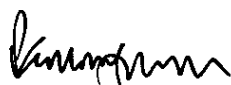
## Statement of financial position

As at 31 December 2016

	Note	31 December 2016 £	2 January 2016 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	16,552,324	12,432,403
Cash at bank and in hand	8	1,780	1,739
		<u>16,554,104</u>	<u>12,434,142</u>
Creditors: amounts falling due within one year	9	(16,265,780)	(12,309,373)
<b>Net current assets</b>		<u>288,324</u>	<u>124,769</u>
<b>Total assets less current liabilities</b>		<u>288,324</u>	<u>124,769</u>
<b>Net assets</b>			
		<u>288,324</u>	<u>124,769</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		288,323	124,768
		<u>288,324</u>	<u>124,769</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 March 2017.



**Paul McGowan**  
Director

The notes on pages 7 to 10 form part of these financial statements.

## Notes to the financial statements

For the period ended 31 December 2016

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 1.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 1.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 1.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 1.5 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

## Notes to the financial statements

For the period ended 31 December 2016

### 1. Accounting policies (continued)

#### 1.5 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

#### 1.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 1.7 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 1.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 1.9 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

#### 1.10 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and 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 operates and generates income.

### 2. Employees

The company had no employees other than the directors, who did not receive any remuneration (52 week period ended 2 January 2016 - £Nil).

### 3. Auditor's remuneration

Auditor's remuneration of £2,000 (52 week period ended 2 January 2016 - £2,000) was borne by Hilco Capital Limited, a fellow subsidiary of Hilco London Limited.

**Notes to the financial statements**

For the period ended 31 December 2016

**4. Interest receivable**

	52 week period ended 31 December 2016 £	52 week period ended 2 January 2016 £
Interest receivable from group companies	256,489	724,579
Other interest receivable	476,101	419,000
	<b>732,590</b>	<b>1,143,579</b>

**5. Interest payable and similar charges**

	52 week period ended 31 December 2016 £	52 week period ended 2 January 2016 £
Bank interest payable	-	68
Loans from group undertakings	-	320,400
	-	<b>320,468</b>

**6. Dividends**

	31 December 2016 £	2 January 2016 £
Dividends paid on Ordinary shares	1,500,000	2,400,000
	<b>1,500,000</b>	<b>2,400,000</b>

**7. Debtors**

	31 December 2016 £	2 January 2016 £
Amounts owed by group undertakings	915,671	77,844
Amounts owed by connected companies	15,636,652	11,582,342
Other debtors	1	772,217
	<b>16,552,324</b>	<b>12,432,403</b>

## Notes to the financial statements

For the period ended 31 December 2016

### 8. Cash and cash equivalents

	31 December 2016 £	2 January 2016 £
Cash at bank and in hand	1,780	1,739
	<u>1,780</u>	<u>1,739</u>

### 9. Creditors: Amounts falling due within one year

	31 December 2016 £	2 January 2016 £
Amounts owed to group undertakings	14,290,945	10,043,449
Corporation tax	1,547,744	1,131,856
Other creditors	200	200
Accruals and deferred income	426,891	1,133,868
	<u>16,265,780</u>	<u>12,309,373</u>

### 10. Contingent liabilities

There were no contingent liabilities at 31 December 2016 or 2 January 2016.

### 11. Capital commitments

The company had no capital commitments at 31 December 2016 or 2 January 2016.

### 12. General information

The company is a private company limited by shares and incorporated in England. Its registered office is 7 River Court, Brighthouse Business Village, Brighthouse Road, Middlesbrough, Cleveland, TS2 1RT.

The smallest group of undertakings for which consolidated group accounts, which include the company, have been drawn up is headed by Hilco London Limited. Hilco London Limited has the same registered office as the company. The ultimate parent undertaking of the company is Hilco, Inc a company incorporated in the United States of America.