
HEB REAL ESTATE LIMITED

UNAUDITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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HEB REAL ESTATE LIMITED

COMPANY INFORMATION

Director	H Akbary
Registered number	09221605
Registered office	21 Fulton Road Wembley London HA9 0GA
Accountants	Smith & Williamson LLP Onslow House Onslow Street Guildford GU1 4TL

HEB REAL ESTATE LIMITED

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HEB REAL ESTATE LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The director presents his report and the financial statements for the year ended 31 December 2019.

Director

The director who served during the year was:

H Akbary

Post balance sheet events

On 11 March 2020 COVID-19 was declared a global pandemic by the World Health Organisation. On 23 March 2020, the UK Government implemented several measures which continue to evolve over time. The Company has continued to operate successfully through this period and has not been unduly affected.

Small companies' note

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

This report was approved by the board and signed on its behalf.



H Akbary
Director

Date:

MARCH 25/2021

HEB REAL ESTATE LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

HEB REAL ESTATE LIMITED

**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF HEB REAL ESTATE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of HEB Real Estate Limited for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

We are subject to the ethical and other professional requirements of the Institute of Chartered Accountants in England and Wales (ICAEW), which are detailed at icaew.com/regulations.

It is your duty to ensure that HEB Real Estate Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of HEB Real Estate Limited. You consider that HEB Real Estate Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of HEB Real Estate Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of this report

This report is made solely to the director of HEB Real Estate Limited in accordance with the terms of our engagement letter dated 27 September 2018. Our work has been undertaken solely to prepare for your approval the financial statements of HEB Real Estate Limited and state those matters that we have agreed to state to the director of HEB Real Estate Limited in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HEB Real Estate Limited and its director for our work or for this report.

Smith & Williamson LLP

Smith & Williamson LLP

Onslow House
Onslow Street
Guildford
GU1 4TL
Date: 29 March 2021

HEB REAL ESTATE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Administrative expenses		(2,100)	-
Operating loss		(2,100)	-
Waiver of deep discount bond		6,863,808	-
Interest payable and expenses	4	(718,660)	(1,318,968)
Profit/(loss) before tax		6,143,048	(1,318,968)
Tax on profit/(loss)		-	-
Profit/(loss) after tax		6,143,048	(1,318,968)
Retained earnings at the beginning of the year		(1,331,157)	(12,189)
Profit/(loss) for the year		6,143,048	(1,318,968)
Retained earnings at the end of the year		4,811,891	(1,331,157)

The notes on pages 6 to 9 form part of these financial statements.

HEB REAL ESTATE LIMITED
REGISTERED NUMBER:09221605

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments		1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	6	57,800,000	57,800,000
		<u>57,800,000</u>	<u>57,800,000</u>
Creditors: amounts falling due within one year	7	(10,958,134)	(10,956,034)
Net current assets		<u>46,841,866</u>	<u>46,843,966</u>
Creditors: amounts falling due after more than one year	8	(23,829,975)	(29,975,123)
Net assets		<u><u>23,011,892</u></u>	<u><u>16,868,844</u></u>
Capital and reserves			
Called up share capital		18,200,001	18,200,001
Retained earnings		4,811,891	(1,331,157)
Shareholders' funds		<u><u>23,011,892</u></u>	<u><u>16,868,844</u></u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

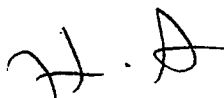
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


H Akbar
Director

Date:

MAR 25/2021



The notes on pages 6 to 9 form part of these financial statements.

HEB REAL ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

HEB Real Estate Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 09221605). The registered office address is 21 Fulton Road, Wembley, London, HA9 0GA.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 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:

2.2 Exemption from preparing consolidated financial statements

The Company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The directors have carefully reviewed the future prospects of the Company and its future cash flows, including an assessment of the potential impact of the COVID-19 pandemic. The full impact of the COVID-19 pandemic on the business remains uncertain and as a result unquantifiable at this stage. Nevertheless, having assessed this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

2.4 Finance costs

Finance costs are charged to profit or loss 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.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Financial instruments

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

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

3. Employees

The average monthly number of employees, including directors, during the year was Nil (2018: Nil).

4. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	429,975	-
Interest on deep discount bonds	288,685	1,318,968
	<u>718,660</u>	<u>1,318,968</u>

HEB REAL ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	1
At 31 December 2019	<u>1</u>

6. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	<u>57,800,000</u>	<u>57,800,000</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	<u>10,958,134</u>	<u>10,956,034</u>

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Deep discount bonds	-	29,975,123
Amounts owed to other participating interests	<u>23,829,975</u>	-
	<u>23,829,975</u>	<u>29,975,123</u>

HEB REAL ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due after more than 5 years		
Other loans	-	29,975,123

10. Related party transactions

At the year end the outstanding balance due to Pinnacle Developments Limited ("PDL") from HEB Real Estate Limited ("HEB RE") was £902,100 (2018: £10,956,034) and to Pinnacle Limited was £10,056,034 (2018: £Nil). The balance due from HEB Apartments Limited at the year end was £57,800,000 (2018: £57,800,000). HEB Apartments Limited and PDL are related parties of HEB RE by virtue of common control.

Deep discount bonds were novated to HEB RE in the prior year from PDL in return for the partial settlement of intercompany debt. The bond holder is Pinnacle Limited, a company registered in Guernsey and connected to HEB RE by virtue of common control. In the year ending 31 December 2019, interest on the bonds of £288,685 (2018: £1,318,968) were charged. The balance payable in respect of the bonds at 31 December 2019 was £Nil (2018: £29,975,123). HEB RE at the year end owed HEB Finance Limited, a company under common control, £23,829,975 (2018: £Nil) and interest for the year was £429,975 (2018: £Nil).

11. Post balance sheet events

On 11 March 2020 COVID-19 was declared a global pandemic by the World Health Organisation. On 23 March 2020, the UK Government implemented several measures which continue to evolve over time. The Company has continued to operate successfully through this period and has not been unduly affected.

12. Controlling party

The immediate and ultimate parent undertaking is HEB 1 Limited, a company registered in Jersey.

The ultimate controlling party is H R Akbary, by virtue of his ownership in the ultimate parent undertaking.