

Company No. 11558918

HE2 Bristol 1 GP Limited
Directors' report and audited financial statements
For the year ended 31 December 2021

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HE2 Bristol 1 GP Limited
Directors' report and financial statements
For the year ended 31 December 2021

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HE2 Bristol 1 GP Limited
Directors' and other information
For the year ended 31 December 2021

Directors	Paul John Cooper Robert Thomas Vicente Caterina Musgrave Juer Hannah May Dove Barbara Marovelli (Appointed on 19 February 2022)
Company Secretary	Accomplish Secretaries Limited 3rd Floor, 11-12, St. James's Square, London, United Kingdom SW1Y 4LB
Registered office	3rd Floor, 11-12 St. James's Square, London, United Kingdom SW1Y 4LB
Corporate Administrator	Vistra (UK) Limited 3rd Floor, 11-12 St. James's Square, London, United Kingdom SW1Y 4LB
Independent auditor	Haines Watts Accountants (Exeter) Limited, Statutory Auditors, 3 Southernhay West, Exeter, United Kingdom EX1 1JG
Company registration number	11558918

HE2 Bristol 1 GP Limited
Directors' report
For the year ended 31 December 2021

Directors' report

The Directors (the "Directors") present their report and the audited financial statements of HE2 Bristol 1 GP Limited, (the "Company") for the year ended 31 December 2021.

Incorporation and principal activity

The Company was incorporated in the United Kingdom on 7 September 2018, as a private limited company and £102 ordinary shares were issued at par on that date.

The principal activity of the Company to act as General Partner to HE2 Bristol 1 Limited Partnership (the "Partnership") registered in the United Kingdom as a limited partnership under the Limited Partnerships Act 1907 with registered number LP019773. The Company has exclusive responsibility for the management and control of the business.

Results and dividends

The statement of profit or loss and other comprehensive income for the year is set out on page 8.

The Directors do not recommend the payment of dividend for the year under review (2020: £Nil).

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. Equity instruments are any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Going concern

The financial statements of the Company are prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

At 31 December 2021, the Company reported a profit of £Nil (2020: loss of £998). The Company had a negative equity of £896 (2020: £896).

EU Industrial Club II UK AIV SCSp ("SCSp"), the ultimate holding company, has confirmed its intention to provide financial support to the Company to meet its financial obligations as and when they fall due.

The spread of the COVID-19 outbreak has caused severe disruption in the global economy and financial markets. Many countries have reacted by instituting quarantines and restricting travel. The outbreak has triggered a period of global economic slowdown.

The Directors have considered the impact of the COVID-19 on the going concern assumption of the Company and have not observed any material impact on the going concern status due to COVID-19, and they consider that this situation is likely to remain for the foreseeable future.

Strategic report

As the Company qualifies as a small company under the Companies Act 2006, the Company is exempt from the requirement to prepare the strategic report as permitted by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Subsequent events

Subsequent events have been disclosed in Note 16 to the financial statements.

Statement of disclosure of information to auditors

The directors confirm that:

- so far as they are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware of; and
- each Director has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditor

Haines Watts Accountants (Exeter) Limited, have been appointed as auditor of the Company and have expressed their willingness to continue in office.

HE2 Bristol 1 GP Limited
Directors' report (continued)
For the year ended 31 December 2021

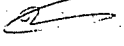
Directors and their interests

The following Directors held office during the year, and up to the date of this report:

- Paul John Cooper
- Robert Thomas Vicente
- Hannah May Dove
- Caterina Musgrave Juer
- Barbara Marovelli (Appointed on 19 February 2022)

The Directors did not have any interest in the shares or options of the Company at any time during the year ended 31 December 2021 (2020: £Nil) or to the date of this report.

This report has been prepared in accordance with the provisions of section 15 of the Companies Act 2006 relating to small companies.

DocuSigned by:

7DF78A8AC9B6428...
Hannah Dove
Director

sep-28-2022
2022

HE2 Bristol 1 GP Limited
Statement of Directors' responsibilities
For the year ended 31 December 2021

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

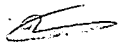
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

On behalf of the board

DocuSigned by:

7DF78A8AC9B6428...
Hannah Dove
Director

Date: Sep-28-2022

HE2 Bristol 1 GP Limited
Independent auditor's report
For the year ended 31 December 2021

Opinion

We have audited the financial statements of HE2 Bristol 1 GP Limited (the 'Company') for the year ended 31 December 2021 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in shareholder's equity, 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 UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 as applied to listed entities, 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 related 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.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

HE2 Bristol 1 GP Limited
Independent auditor's report (continued)
For the year ended 31 December 2021

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 Report of the Directors. 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

Auditors' responsibilities for the audit of the financial statements

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud and error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which it operates. We determined that the following laws and regulations were most significant: The Companies Act 2006, UK GAAP and UK corporate tax law.

- We obtained an understanding of how the Company are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:

- Identifying and assessing the controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, in particular accruals;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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 collusions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

HE2 Bristol 1 GP Limited
Independent auditor's report (continued)
For the year ended 31 December 2021

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 a Report of the Auditors 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.



Jade Quaintance BA FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Accountants (Exeter) Limited
Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Date: 27/9/2022

HE2 Bristol 1 GP Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

		31 December 2021	31 December 2020
	Note	£	£
Income			
Profit Share	9	318	1,000
Operating expenses			
Operating expenses		(318)	(1,000)
Profit from operating activities before tax		-	-
Income tax expense	10	-	(998)
Income / (loss) for the year		-	(998)
Other comprehensive profit, net of tax		-	-
Total comprehensive income/(loss) for the year		-	(998)

All losses and total comprehensive loss for the year are attributable to the owner of the Company.

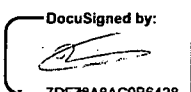
The notes on pages 12 to 18 form part of these audited financial statements.

HE2 Bristol 1 GP Limited
Statement of financial position
As at 31 December 2021

		31 December 2021	31 December 2020
		£	£
ASSETS	Notes		
Non current assets			
Investment in subsidiaries	6	102	102
Total non-current assets		102	102
Current assets			
Other receivables	4	2	102
Total current assets		2	102
Total assets		104	204
EQUITY AND LIABILITIES			
Current liabilities			
Other payables	5	1,000	1,100
Total current liabilities		1,000	1,100
Equity			
Share capital	7	102	102
Retained earnings	8	(998)	(998)
Total equity		(896)	(896)
Total equity and liabilities		104	204

The financial statements on pages 8 to 18 were approved by the Board of Directors on ^{28th September} 2022 and were signed on its behalf by:

On behalf of the board

DocuSigned by:

 Hamish 1964AC986428...
 Director
 Company No. 11558918

Sep-28-2022 2022

The notes on pages 12 to 18 form part of these audited financial statements.

HE2 Bristol 1 GP Limited
Statement of changes in shareholder's equity
For the year ended 31 December 2021

	Share capital £	Retained earnings £	Total equity £
At 1 January 2021	102	(998)	(896)
Total comprehensive profit for the year	-	-	-
At 31 December 2021	102	(998)	(896)
At 1 January 2020	-	-	-
Issuance of ordinary shares	102	-	102
Total comprehensive loss for the year	-	(998)	(998)
At 31 December 2020	102	(998)	(896)

All equity is attributable to the holder of the ordinary shares in the Company.

The notes on pages 12 to 18 form part of these audited financial statements.

HE2 Bristol 1 GP Limited
Statement of cash flows
For the year ended 31 December 2021

	31 December 2021	31 December 2020
	£	£
Cash flows from operating activities		
Total comprehensive profit for the year	-	(998)
<i>Adjustments for:</i>		
Decrease / (increase) in other receivables	100	(1,000)
(Decrease) / increase in other payables	(100)	1,998
Net cash generated from operating activities	<u>-</u>	<u>-</u>
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	-	-
Cash and cash equivalents at end of year	<u>-</u>	<u>-</u>

The Company does not have a bank account and therefore has no cash flows.

The notes on pages 12 to 18 form part of these audited financial statements.

HE2 Bristol 1 GP Limited
Notes to the financial statements
For the year ended 31 December 2021

1. General information

HE2 Bristol 1 GP Limited (the "Company"), was incorporated on 7 September 2018 in the United Kingdom (UK) with registered number 11558918. The registered office of the Company is 3rd Floor 11-12, St James's Square, London, United Kingdom, SW1Y 4LB.

The principal activity of the Company is to act as general partner to HE2 Bristol 1 Limited Partnership (the "Partnership") registered in the United Kingdom as a limited partnership under the Limited Partnerships Act 1907 with registered number LP019773. The Company has exclusive responsibility for the management and control of the business.

2. Basis of preparation

The Company's financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The principal accounting policies adopted by the Company are set out below.

The Company's financial statements have been prepared under the historic cost basis.

The preparation of financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. The Directors believe that the underlying assumptions are appropriate.

Statement of profit or loss and other comprehensive income and statement of cash flows

The Company has elected to present all items of income and expense recognised in a year in a single statement of comprehensive income and presents its expenses by function.

The Company reports cash flows from operating activities using the indirect method.

Changes in accounting policy and adoption of new accounting standards

(a) New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2021

All new and amended accounting standards which have become effective for the period have been adopted but have had no material effect on the Company, therefore these standards have not been listed separately.

Standard / Interpretation	Content	Applicable for financial years on/after
Amendments to IFRS 16	Amended by Covid-19-Related Rent Concessions	1 June 2020
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform - Phase 2	1 January 2021
Amendments to IFRS 4	Insurance contracts	1 January 2021

None of the above standards, amendments and interpretations had a significant impact on the Company's financial statements.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2021 and not early adopted

The following new and amended standards and interpretations have been issued and are mandatory for the Company's accounting periods beginning on or after 1 January 2021 or later periods and are expected to be relevant to the Company.

Standard / Interpretation	Content	Applicable for financial years on/after
Amendments to IFRS 16	IFRS 16 Leases: Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IFRS 3	IFRS 3 Business Combinations	1 January 2022
Amendments to IFRS 17	Insurance contracts	1 January 2023
Amendments to IAS 1	IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023
Amendments to IAS 1	IAS 1 Presentation of Financial Statements: Amendments regarding the classification of liabilities	1 January 2023
Amendments to IAS 8	Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

HE2 Bristol 1 GP Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

Going concern

The financial statements of the Company are prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

At 31 December 2021, the Company reported a profit of £Nil (2020: loss of £998). The Company had a negative equity of £896 (2020: £896). The Company is dependent for its working capital on funds provided to it by its current parent company which confirmed that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are required by the Company and in particular will not seek repayment of the amounts currently made available if the Company does not have other finance arrangements in place that allow the Company to continue to operate and service their liabilities. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on this undertaking, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Covid-19 pandemic

The spread of the COVID-19 outbreak has caused severe disruption in the global economy and financial markets. Many countries have reacted by instituting quarantines and restricting travel. The outbreak has triggered a period of global economic slowdown.

The Directors have considered the impact of the COVID-19 on the going concern assumption of the Company and have not observed any material impact on the going concern status due to COVID-19, and they consider that this situation is likely to remain for the foreseeable future.

3. Significant accounting policies

Expenses

Expenses are recognised as expenses in the statement of profit or loss and other comprehensive income in the year in which they are incurred (on an accruals basis).

Other receivables

Other receivables are recognised initially on an accrual basis.

Other payables

Other payables are recognised on an accrual basis.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Taxation

Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date.

Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit or loss and other comprehensive income.

HE2 Bristol 1 GP Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

3. Significant accounting policies (continued)

Financial instruments (continued)

ii. Classification and subsequent measurement

Classification

The Company classifies its financial assets in the following measurement category:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost

The Company's financial assets are other receivables which are classified at financial assets at amortised cost.

Other financial liabilities, including other payables, are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

iii. Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statement of profit or loss and other comprehensive income.

iv. Impairment

The Company holds only other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to all its other receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. No loss allowance was recognised at the reporting date as the balance of receivable is considered to be significant.

Investment in subsidiaries

The Company's investment in subsidiaries is held at cost.

HE2 Bristol 1 GP Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

4. Other receivables

31 December 2021 31 December 2020

	£	£
Amount due from related party	3,318	3,000
Settlement with shareholders	2	102
Less: provision for doubtful debts from related parties	(3,318)	(3,000)
	<u>2</u>	<u>102</u>

The amount due from related party is interest free, unsecured and receivable on demand.

5. Other payables

31 December 2021 31 December 2020

	£	£
Amount due to related parties	1,000	1,100
	<u>1,000</u>	<u>1,100</u>

The amount due to related parties is interest free, unsecured and repayable on demand.

6. Investment in subsidiary

31 December 2021 31 December 2020

	£	£
Investment in subsidiary	102	102
	<u>102</u>	<u>102</u>

The Company's investment in subsidiaries is held at cost.

	Country of incorporation	Types	Number of shares	Direct % Holding	2021 Fair value £	2020 Fair value £
HE2 N1 Bristol 1 Limited	United Kingdom	Ordinary Shares	1	100	1	1
HE2 N2 Bristol 1 Limited	United Kingdom	Ordinary Shares	1	100	1	1
HE2 Bristol 1 Limited Partnership	United Kingdom	Capital Contribution	N/A	10	100	100

7. Share capital

31 December 2021 31 December 2020

	£	£
Opening share capital	102	102
Share capital issued	-	-
Closing share capital	<u>102</u>	<u>102</u>

The authorised share capital of the Company consists of 102 shares of £1 each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meetings of the Company. As at 31 December 2021, 102 shares were in issue amounting to £102 (2020: £102).

8. Reserves

	Earnings 31 December 2021	Earnings 31 December 2020
	£	£
Opening balance	(998)	-
Profit for the year	-	(998)
Closing Balance	<u>(998)</u>	<u>(998)</u>

HE2 Bristol 1 GP Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

9. Revenue

The General Partner is entitled to receive a fixed profit share of £1,000 per annum from the Partnership in accordance with the Limited Partnership Agreement with the remaining profits allocated to the Limited Partner. The net losses of the Partnership incurred each year shall be allocated to the Limited Partner. The General Partner is entitled to receive an amount equal to all costs and expenses which the General Partner has incurred in discharging their responsibility for the management and control of the Partnership.

During the year, the amount of profit share that was attributable from the Partnership was £318 (2020: £1,000). At 31 December 2021 the Company had provisioned £3,318 (2020: £Nil) as a doubtful debt.

	31 December 2021	31 December 2020
	£	£
Profit Share	318	1,000
Total Revenue	318	1,000

10. Income tax expense

	31 December 2021	31 December 2020
	£	£
Reconciliation of total tax charge:		
Profit before tax	-	-
Corporation tax paid - 2020 & 2021	-	998
Corporation tax at 19%	-	-
Losses for which no deferred tax recognised	-	-
Effect of income that is not taxable in determining taxable profit	-	-
	-	998

No deferred tax on losses has been recognised due to uncertainty over future taxable profits against which the losses could be utilised.

11. Employees and Directors

The monthly average number of directors during the year was 4 (2020: 4). No payroll costs were incurred by the Company during the year.

12. Financial risk management

The Directors of the Company review and agree policies for managing its risk exposure. The primary objectives of the financial risk management function are to establish appropriate risk limits, and then ensure that exposure to risks stays within these limits. The Company's financial assets and financial liabilities comprise other receivables and other payables that arise directly from its operations.

Financial risk factors

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk, interest rate risk and other price risk)

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Other receivables
- Other payables

HE2 Bristol 1 GP Limited
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12. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

The Company's maximum exposure to credit risk by class of financial asset is as follows:-

	31 December 2021	31 December 2020
	£	£
Other receivables	2	102
	<u>2</u>	<u>102</u>

Financial assets subject to IFRS 9's impairment requirements

The Company's financial assets subject to the ECL model within IFRS 9 are other receivables. At 31 December 2021, the total of other receivables was £102.

Impairment on other receivables has been measured on a 12-month expected losses basis and reflects the short maturities of the exposures. The Company considers that these exposures have low credit risk based on the fact that other receivables consists of VAT input receivable from HM Revenue and Customs (HMRC), a government administered entity. The Company assesses all its counterparties for credit risk before contracting with them.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's position.

The Company's liquidity position is monitored and reviewed on a quarterly basis by the Directors. The amounts disclosed in the below tables are the contractual undiscounted cash flows.

Liquidity risk (continued)

The maturity analysis of financial liabilities at 31 December 2021 is as follows:

	Within one year	Between one and two years	Between two and five years	Later than 5 years	Total
	£	£	£	£	£
Liabilities					
Other payables	1,000	-	-	-	1,000
	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>

The maturity analysis of financial liabilities at 31 December 2020 is as follows:

	Within one year	Between one and two years	Between two and five years	Later than 5 years	Total
	£	£	£	£	£
Liabilities					
Other payables	1,100	-	-	-	1,100
	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100</u>

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risk arises from open positions in interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

IFRS 7 requires disclosure of sensitivity analysis for each type of market risk to which the entity is exposed at the report date showing how profit or loss and equity would have been affected by changing the relevant risk variables that were reasonably possible at that date.

The Company does not have significant exposure to price risk or cashflow and fair value interest rate risk and therefore no sensitivity analysis for those risks has been disclosed.

Capital management

The primary objective of the Company's management of capital is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

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For the year ended 31 December 2021

12. Financial risk management (continued)

Capital management (continued)

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the entity may requisite new shares, sell assets or return capital to shareholders.

The Company considers that capital is composed of equity share capital and retained earnings. The Company closely monitors the gearing ratio which involves any net debt and equity. The Company is not subject to externally imposed capital requirements.

13. Related party transactions

Transactions in the year between the Company and the related parties are shown below:

Related party	Nature of	Nature of	2021		2020	
			Transactions during the period	Balance receivable/ (payable)	Transactions during the period	Balance receivable/ (payable)
			£	£	£	£
EU Industrial Club II UK AIV SCSp	Share capital receivable	Shareholder	(100)	2	-	102
HE2 Bristol 1 Limited Partnership	Payable for expenses paid by LP	Investee	-	(998)	(998)	(998)
HE2 Bristol 1 Limited Partnership	Allocation of profits	Investee	318	3,318	1,000	3,000
HE2 Bristol 1 Limited Partnership	Payable for investment purchased	Investee	100	100	-	(100)
HE2 N1 Bristol 1 Limited	Share capital payable	Subsidiary	-	(1)	-	(1)
HE2 N2 Bristol 1 Limited	Share capital payable	Subsidiary	-	(1)	-	(1)

14. Holding and ultimate parent company

The ultimate parent of the Company is EU Industrial Club II UK AIV SCSp ("SCSp"), Luxembourg who is managed by its General Partner, HE Management II Sàrl, Luxembourg an entity ultimately wholly owned by Hillwood Development Company, LLC. All investment decisions are carried out by its advisors, TXRE Advisers, LLC, also wholly owned by Hillwood Development Company, LLC.

15. Charges

In its capacity as the General Partner of HE2 Huntingdon 1 Limited Partnership, the Company has provided a guarantee for future secured liabilities, by way of a fixed and floating charge over its assets, as security against future loan advances. As at the year end the outstanding balance of the loan was nil.

16. Post balance sheet events

There have been no significant events that require disclosure to the financial statements since the year end and up to the date of approving the financial statements.