

MA Cutlers Houndsditch 1 Limited

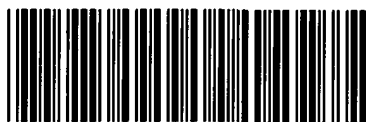
Annual Report and Financial Statements

Year Ended

31 December 2022

Company Number: 11618584

TUESDAY



AC9YUQTM

A03

15/08/2023

#66

COMPANIES HOUSE

MA Cutlers Houndsditch 1 Limited

Company Information

Directors

J M Blank
D B Marks
M D Marks
R G Selby

Registered number

11618584

Registered office

89 Wardour Street
London
W1F 0UB

MA Cutlers Houndsditch 1 Limited

Contents

	Page
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 - 14

MA Cutlers Houndsditch 1 Limited

Directors' Report For the Year Ended 31 December 2022

The Directors present their annual report and the unaudited financial statements of MA Cutlers Houndsditch 1 Limited ('the Company') for the year ended 31 December 2022.

The Company was incorporated in England and Wales as a private company limited by shares on 11 October 2018. It is governed by the Companies Act 2006.

In accordance with Section 414 of the Companies Act 2006, the Directors have not prepared a Strategic Report under the provisions of the small companies' exemption.

Principal activity

The principal activity of the Company is holding investments.

Results and dividends

The results for the year are shown in the Statement of Comprehensive Income on page 4.

During the year and through to the date of signing these accounts, the Company paid dividends of £Nil (2021: £282,460).

Directors

The Directors who served during the year and to the date of this report were:

J M Blank
D B Marks
M D Marks
R G Selby

Financial risk management objectives and policies

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties, particularly market and operational risks. The Company is a member of the Brockton Everlast Inc. Limited group ('the Group'), the parent of which is a limited company incorporated and registered in England and Wales. Further discussions of the risks and uncertainties, in the context of the Group as a whole, are disclosed in the Group's annual report which does not form part of this report.

Future developments

The Company continues to be an intermediate holding company within the Group. The Group continues to appraise real estate investment opportunities, with a particular focus on the workplace in, and around, Greater London.

Going concern

The financial statements have been prepared on the going concern basis. After making enquires and taking into consideration the loss and net current asset position of the Company, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of approval of these financial statements. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

MA Cutlers Houndsditch 1 Limited

**Directors' Report (continued)
For the Year Ended 31 December 2022**

Directors' indemnities and insurance

The Group has in place contractual entitlements for the Directors of the Company to claim indemnification by the Group for certain liabilities they might incur in the course of their duties. The Group has established these arrangements, which constitute qualifying third-party indemnity provision, in compliance with the relevant provisions of the Companies Act 2006. They include provision for the Company to fund the costs incurred by Directors in defending certain claims against them in relation to their duties. The Group also maintains an appropriate level of Directors' liability insurance in respect of potential legal action against its Directors.

Exemption from audit

The Company is exempt from the requirement of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act, as disclosed on page 58 of the Brockton Everlast Inc. Limited Annual Report and Financial statements for the year ended 31 December 2022, an intermediate parent company. The ultimate controlling party of the Company is considered to be Alony-Hetz Properties & Investments Limited, details of which are disclosed in note 14.

This report was approved by the board on 7 June 2023 and signed on its behalf.



.....
M D Marks
Director

MA Cutlers Houndsditch 1 Limited

**Directors' Responsibilities Statement
For the Year Ended 31 December 2022**

The Directors are responsible for preparing the annual 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 FRS 101 'Reduced Disclosure Framework'. 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 judgments 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 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.

MA Cutlers Houndsditch 1 Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Administrative expenses		(63)	(31)
Loss on ordinary activities before taxation		(63)	(31)
Income from investments in associates	4	-	282,712
(Loss) / profit on ordinary activities before taxation		(63)	282,681
Taxation	5	-	-
Total comprehensive (expense) / income for the year		(63)	282,681

All results shown in the Statement of Comprehensive Income are from continuing operations.

All (loss) / profit and total comprehensive (expense) / income is attributable to the equity holders of the Company.

The notes on pages 7 to 14 form part of these financial statements.

MA Cutlers Houndsditch 1 Limited
Registered number:11618584

Statement of Financial Position
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Fixed asset investments	7	54,934,198	22,934,198
		<u>54,934,198</u>	<u>22,934,198</u>
Current assets			
Trade and other receivables	8	1,158,750	1,462,215
Cash at bank and in hand		107	70
		<u>1,158,857</u>	<u>1,462,285</u>
Current liabilities			
Trade and other payables	9	-	(1,462,064)
Net current assets		<u>1,158,857</u>	<u>221</u>
Total assets less current liabilities		<u>56,093,055</u>	<u>22,934,419</u>
Net assets		<u>56,093,055</u>	<u>22,934,419</u>
Equity attributable to equity holders of the Company			
Share capital	10	56,092,897	22,934,198
Retained earnings		158	221
Total equity		<u>56,093,055</u>	<u>22,934,419</u>

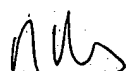
The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2023.



.....
M D Marks
 Director

The notes on pages 7 to 14 form part of these financial statements.

MA Cutlers Houndsditch 1 Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2022	22,934,198	221	22,934,419
Comprehensive expense for the year			
Loss for the year	-	(63)	(63)
Total comprehensive expense for the year	-	(63)	(63)
Transaction with owners			
Shares issued during the year (note 10)	33,158,699	-	33,158,699
Total transactions with owners	33,158,699	-	33,158,699
At 31 December 2022	56,092,897	158	56,093,055

**Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2021	21,370,422	-	21,370,422
Comprehensive income for the year			
Profit for the year	-	282,681	282,681
Total comprehensive income for the year	-	282,681	282,681
Transaction with owners			
Dividends paid (note 6)	-	(282,460)	(282,460)
Shares issued during the year (note 10)	1,563,776	-	1,563,776
Total transactions with owners	1,563,776	(282,460)	1,281,316
At 31 December 2021	22,934,198	221	22,934,419

The notes on pages 7 to 14 form part of these financial statements.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

1. General information

The Company was incorporated on 11 October 2018 and is domiciled and registered as a limited company in the United Kingdom. The address of its registered office is 89 Wardour Street, London, W1F 0UB.

The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 1 to 2.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

The group financial statements of Brockton Everlast Inc. Limited are available to the public and can be obtained as set out in note 14.

2. Accounting policies

2.1 Basis of preparation of financial statements

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosure requirements in respect of revenue from contracts with customers, impairment of assets, certain related party transactions, and certain disclosure requirements in respect of leases. Where relevant, equivalent disclosures have been given in the group financial statements of Brockton Everlast Inc. Limited.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

2.2 Going concern

The financial statements have been prepared on the going concern basis. After making enquires and taking into consideration the loss and net current asset position of the Company, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of approval of these financial statements. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.3 Adoption of new and revised standards

At the date of authorisation of these financial statements, the following new and revised Standards and Interpretations have been adopted and have not had any significant impact on the amounts reported in these financial statements.

Standards affecting presentation and disclosure:

- Amendments to IFRS 3; Reference to the Conceptual Framework
- Amendments to IAS 16; Property, Plant and Equipment — Proceeds before Intended Use
- Amendments to IAS 37; Onerous Contracts — Cost of Fulfilling a Contract; and
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

New and revised IFRSs adopted by the United Kingdom that are not mandatorily effective for the year ending 31 December 2022

The following standards and amendments have been adopted by the United Kingdom but are not mandatorily effective for the year ending 31 December 2022. Accordingly, they have not been applied in preparing these financial statements:

- IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17) - Insurance Contracts
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback

The Company is continuing to assess the impact of the new standards above and at present is confident that none will have a material impact on the financial statements of the Company.

2.4 Financial assets and liabilities

Financial assets

The Company classifies its financial assets into one of the categories set out below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

Financial assets that are classified as fair value through profit or loss are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Statement of Comprehensive Income in the finance income or costs line.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

Financial assets and liabilities (continued)

Financial assets (continued)

Fair value through profit or loss (continued)

The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

The Company does not apply hedge accounting.

Amortised cost

The Company's financial assets measured at amortised cost in the Statement of Financial Position comprise intercompany loan receivables, trade and other receivables and cash and cash equivalents.

For these financial assets the objective is to hold the assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest method, less provision for impairment. Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Impairment provisions for receivables are recognised based on an assessment of the recoverability of the individual balances. In determining the expected credit losses for these assets, the directors of the Company have taken into account the historical default experience and the financial position of the counterparties in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

Financial liabilities

The Company classifies its financial liabilities as 'other financial liabilities'. The Company's accounting policy for other financial liabilities is outlined below.

Other financial liabilities include the following items:

- Other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.5 Current and deferred taxation

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

The current 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.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Associates and joint ventures

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for at cost less, where appropriate, provisions for impairment.

2.7 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

3. Staff costs

The Company has no employees other than the Directors, who did not receive any remuneration (2021: £Nil) during the year. The average number of Directors during the year was four (2021: five). All Directors are remunerated through a fellow group subsidiary.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

4. Income from investments in associates

	2022 £	2021 £
Distributions received from investments in associates	-	282,712

5. Taxation

	2022 £	2021 £
Current tax on profits / (losses) for the year	-	-

Factors affecting tax charge for the year

The tax on the Company's profit differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the Company as follows:

	2022 £	2021 £
Profit on ordinary activities before taxation	(63)	282,681
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(13)	53,709
Effects of:		
Permanent differences	(11,688)	(12,935)
Temporary differences	(17,608)	-
Investment in tax transparent entities	73,472	40,713
REIT exempt property rental profits	(44,163)	(81,487)
Total tax charge / (credit) for the year	-	-

From 1 April 2023 the corporation tax main rate will be increased to 25% applying to profits over £250,000. This is not anticipated to have a material impact on the Company's results.

As at 31 December 2022, there were no deferred tax balances (2021: £Nil).

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

6. Dividends

	2022 £	2021 £
Dividend paid	-	282,460
	<u>-</u>	<u>282,460</u>

There were no dividends paid in the current year. In the prior year, the Company paid dividends of £282,460 to BE Midco Limited amounting to £0.0132 per ordinary share in issue.

7. Fixed asset investments

	Investment in associates £
At cost	
At 1 January 2022	22,934,198
Additions	32,000,000
At 31 December 2022	<u><u>54,934,198</u></u>

Associate

The following was an associate of the Company:

Name	Registered office	Principal activity	Holding
Cutlers Houndsditch Unit Trust	50 La Colomberie, St Helier, Jersey, JE2 4QB	Property investment	50%

On 13 March 2019, the Company acquired 318,670.11 units of Cutlers Houndsditch Unit Trust ('CHUT'), a Jersey registered unit trust, for a consideration of £25,621,273. In the same year, CHUT made a capital distribution of £8,160,499.78 by way of redemption of 284,394.464 units. During the year ended 31 December 2020, the Company subscribed for 36,930.209 units in CHUT for a total consideration of £2,473,424.50. During the year ended 31 December 2021, the Company subscribed for 4,376.7229 units in CHUT for a total consideration of £3,000,000.

During the year, the Company subscribed for 32,289.2400 units in CHUT for a total consideration of £32,000,000.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

8. Trade and other receivables

	2022 £	2021 £
Amounts due from group undertakings	1,158,750	1,462,215
	<u>1,158,750</u>	<u>1,462,215</u>

Included in amounts due from group undertakings is a balance of £1,015,658 (2021: £1,462,215) due from BE Midco Limited, the immediate parent company and £143,092 (2021: £Nil) from Cutlers Houndsditch Unit Trust.

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

9. Trade and other payables

	2022 £	2021 £
Amounts due to group undertakings	-	1,462,064
	<u>-</u>	<u>1,462,064</u>

In the prior year, amounts due to group undertakings included a balance of £1,462,064 due to Cutlers Houndsditch Unit Trust. During the year, the amount was repaid in full.

Amounts due to group undertakings were unsecured, interest free and repayable on demand.

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
56,092,897 (2021: 22,934,198) ordinary shares of £1 each	56,092,897	22,934,198
	<u>56,092,897</u>	<u>22,934,198</u>

On 8 December 2021, the Company issued 1,563,776 ordinary shares of £1 each for total consideration of £1,563,776.

On 28 October 2022, the Company issued 32,000,000 ordinary shares of £1 each for total consideration of £32,000,000.

On 8 December 2022, the Company issued further 1,158,699 ordinary shares of £1 each for total consideration of £1,158,699.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

11. Reserves

A description of the Company's reserves is as follows:

The share capital reserve represents the nominal value of the shares issued.

The retained earnings reserve represents cumulative profit and losses, net of dividends paid and other adjustments.

12. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Directors monitor capital on the basis of the net assets attributable to the owners of the Company.

13. Related party transactions

Transactions and balances with related parties during the period and as at the Statement of Financial Position date, respectively, have been disclosed in notes 4, 6, 7, 8, 9 and 10.

14. Ultimate parent undertaking and controlling party

BE Midco Limited, a limited company registered in England and Wales, is the immediate parent and sole owner of the issued share capital of the Company.

The ultimate controlling party of the Company is considered to be Alony-Hetz Properties & Investments Limited, which is listed on the Tel-Aviv Stock Exchange and is incorporated and domiciled in Israel (registration number 520038506).

The parent undertaking of the largest group, which includes the Company and for which group financial statements are prepared, is Alony-Hetz Properties & Investments Limited. The parent undertaking of the smallest such group is Brockton Everlast Inc. Limited. Copies of the group financial statements of Brockton Everlast Inc. Limited are available at 89 Wardour Street, London, W1F 0UB, the Group's registered office. Copies of the group financial statements of Alony-Hetz Properties & Investments Limited are publicly available from that company's website.