

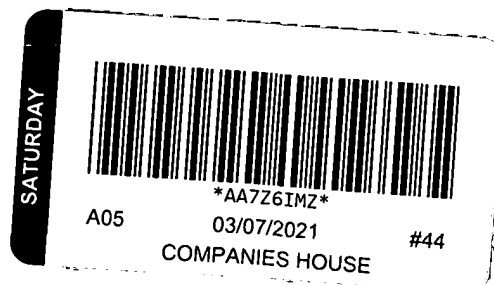
MA Cutlers Houndsditch 1 Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number: 11618584



MA Cutlers Houndsditch 1 Limited

Company Information

Directors	J M Blank D B Marks M D Marks R G Selby A F S Wright
Registered number	11618584
Registered office	89 Wardour Street London W1F 0UB
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

MA Cutlers Houndsditch 1 Limited

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MA Cutlers Houndsditch 1 Limited

Directors' Report For the Year Ended 31 December 2020

The Directors present their annual report and the audited financial statements of MA Cutlers Houndsditch 1 Limited ('the Company') for the year ended 31 December 2020. The financial information presented for the comparative period is for the period from 11 October 2018 to 31 December 2019.

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 8.

During the year the Company paid dividends of £644,676 (2019: £Nil).

The Directors do not recommend the payment of any further dividends.

Directors

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

J M Blank
D B Marks
M D Marks
R G Selby
A F S Wright

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 profit 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 the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements. In reaching this conclusion, the Directors have had particular regard to the emergence of the COVID-19 pandemic that has caused a significant downturn in the global economic outlook. The Directors have concluded that the pandemic does not impact the Company's ability to continue as a going concern.

MA Cutlers Houndsditch 1 Limited

**Directors' Report (continued)
For the Year Ended 31 December 2020**

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.

Events after balance sheet date

Details of significant events since the balance sheet date are contained in note 21 to the financial statements.

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.

Auditor

The auditor, Deloitte LLP, was appointed in the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 June 2021 and signed on its behalf.



.....
M D Marks
Director

MA Cutlers Houndsditch 1 Limited

**Directors' Responsibilities Statement
For the Year Ended 31 December 2020**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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

Independent Auditor's Report to the Members of MA Cutlers Houndsditch 1 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MA Cutlers Houndsditch 1 Limited (the Company):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position
- the Statement of Changes in Equity; and
- the related notes 1 to 21

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

MA Cutlers Houndsditch 1 Limited

Independent Auditor's Report to the Members of MA Cutlers Houndsditch 1 Limited

Other information

The other information comprises the information included in the Directors' report, other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Directors' report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

MA Cutlers Houndsditch 1 Limited

Independent Auditor's Report to the Members of MA Cutlers Houndsditch 1 Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' report.

MA Cutlers Houndsditch 1 Limited

Independent Auditor's Report to the Members of MA Cutlers Houndsditch 1 Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report

We have nothing to report in respect of these matters.

Use of our report

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

Matthew Hall

Matthew Hall, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: 23 June 2021

MA Cutlers Houndsditch 1 Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2020**

		Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Note		
Administrative expenses	6	-	(24,751)
Loss on ordinary activities before taxation		-	(24,751)
Income from investments in associates	7	762,098	-
Finance costs	8	-	(92,671)
Profit / (loss) on ordinary activities before taxation	4	762,098	(117,422)
Taxation	9	11,276	(11,276)
Profit / (loss) and total comprehensive income / (loss) for the year / period		773,374	(128,698)

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

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


The notes on pages 11 to 21 form part of these financial statements.

MA Cutlers Houndsditch 1 Limited
Registered number:11618584

Statement of Financial Position
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Fixed asset investments	11	19,934,198	17,460,773
		<u>19,934,198</u>	<u>17,460,773</u>
Current assets			
Intercompany loans receivable	12	1,436,224	-
		<u>1,436,224</u>	<u>-</u>
Current liabilities			
Intercompany loan payable	13	-	(17,538,112)
Trade and other payables	14	-	(40,082)
		<u>1,436,224</u>	<u>(17,578,194)</u>
Net current assets / (liabilities)		<u>1,436,224</u>	<u>(17,578,194)</u>
Total assets less current liabilities		<u>21,370,422</u>	<u>(117,421)</u>
Non-current liabilities			
Deferred taxation	15	-	(11,276)
		<u>21,370,422</u>	<u>(128,697)</u>
Net assets / (liabilities)		<u>21,370,422</u>	<u>(128,697)</u>
Equity attributable to equity holders of the Company			
Share capital	16	21,370,422	1
Retained earnings		-	(128,698)
		<u>21,370,422</u>	<u>(128,697)</u>
Total equity		<u>21,370,422</u>	<u>(128,697)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 June 2021.



M D Marks
Director

The notes on pages 11 to 21 form part of these financial statements.

MA Cutlers Houndsditch 1 Limited

Statement of Changes in Equity
For the Year Ended 31 December 2020

	Share capital £	Retained earnings £	Total equity £
At 1 January 2020	1	(128,698)	(128,697)
Comprehensive income for the year			
Profit for the year	-	773,374	773,374
Total comprehensive income for the year	-	773,374	773,374
Transaction with owners			
Dividends paid (note 10)	-	(644,676)	(644,676)
Shares issued during the year (note 16)	21,370,421	-	21,370,421
Total transactions with owners	21,370,421	(644,676)	20,725,745
At 31 December 2020	21,370,422	-	21,370,422

Statement of Changes in Equity
For the Year Ended 31 December 2019

	Share capital £	Retained earnings £	Total equity £
At 11 October 2018	-	-	-
Comprehensive loss for the period			
Loss for the period	-	(128,698)	(128,698)
Total comprehensive loss for the period	-	(128,698)	(128,698)
Transaction with owners			
Shares issued during the period (note 16)	1	-	1
Total transactions with owners	1	-	1
At 31 December 2019	1	(128,698)	(128,697)

The notes on pages 11 to 21 form part of these financial statements.

MA Cutlers Houndsditch 1 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

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 20.

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.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis. After making enquires and taking into consideration the profit 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 the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements. In reaching this conclusion, the Directors have had particular regard to the emergence of the COVID-19 pandemic that has caused a significant downturn in the global economic outlook. The Directors have concluded that the pandemic does not impact the Company's ability to continue as a going concern.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.3 Changes in accounting policy and disclosures

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 IAS 1 and IAS 8 Definition of Material;
- Amendments to IFRS 3 Business Combinations;
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform; and
- Amendments to references to the Conceptual Framework in IFRS standards.

New and revised IFRSs adopted by the EU that are not mandatorily effective for the year ending 31 December 2020

The following standards and amendments have been adopted by the EU but are not yet mandatorily effective for the year ending 31 December 2020. Accordingly, they have not been applied in preparing these financial statements:

- Amendment to IFRS 16: Covid-19-Related Rent Concessions;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform — Phase 2;
- Annual Improvements to IFRS Standards 2018–2020: Property, Plant and Equipment; Proceeds before Intended Use;
- Amendments to IFRS 3: Annual Improvements to IFRS Standards 2018–2020 (May 2020);
- Amendments to IAS 37: Reference to the Conceptual Framework;
- IFRS 37: Onerous Contracts - Cost of Fulfilling a Contract;
- Amendments to IFRS 17: Insurance Contracts;
- Amendments to IAS 1: IFRS 17;
- Amendments to IAS 1: Classification of liabilities as current or non-current; and
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current — Deferral of Effective Date.

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.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

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

The Company may from time to time use derivative financial instruments such as interest caps and swaps to hedge its interest rate risk. Where it does, in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value are classified as fair value through profit or loss. They 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.

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 may 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.

MA Cutlers Houndsditch 1 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

Financial assets and liabilities (continued)

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:

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

2.5 Finance costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Deferred tax balances are not recognised where they relate to temporary differences in respect of interests in subsidiaries, associates, branches and joint ventures, the Company can control the reversal of the temporary differences and such reversal is not considered probable in the foreseeable future.

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.

2.7 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.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.8 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that is more likely than not to require settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.9 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. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no particular critical accounting estimates and judgements involved in the preparation of the financial statements.

4. Profit / (loss) on ordinary activities before taxation

Fees payable to the Company's auditor for the audit of the Company's financial statements were £6,804 (2019: £6,000). No amounts for other services have been paid to the auditor in the year / period. The cost of the audit of the Company's financial statements was incurred by Brockton Everlast Inc. Limited.

5. Staff costs

The Company has no employees other than the Directors, who did not receive any remuneration (2019: £Nil) during the year / period. The average number of Directors during the year / period was five (2019: five).

6. Administrative expenses

	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Acquisition costs	-	24,751
	-	24,751

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

7. Income from investments in associates

	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Distributions received from investments in associates	762,098	-
	<u>762,098</u>	<u>-</u>

8. Finance costs

	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Intercompany loan interest payable	-	92,671
	<u>-</u>	<u>92,671</u>

During the prior period, interest of £92,671 was paid to Brockton Everlast Inc. Limited, the intermediate parent company.

9. Taxation

	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Deferred tax		
Origination and reversal of temporary differences	(11,276)	11,276
	<u>(11,276)</u>	<u>11,276</u>

MA Cutlers Houndsditch 1 Limited

Notes to the Financial Statements
For the Year Ended 31 December 2020

9. Taxation (continued)

Factors affecting tax charge for the year/period

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

	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Profit / (loss) on ordinary activities before taxation	762,098	(117,422)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	144,799	(22,310)
Effects of:		
Permanent differences	(14,142)	22,310
Temporary differences	(11,276)	-
Investment in tax transparent entities	(47,957)	72,629
Tax rate difference	-	(1,327)
Group relief claimed from fellow subsidiaries	(10,857)	(60,026)
REIT exempt property rental profits	(71,843)	-
Total tax (credit) / charge for the year / period	(11,276)	11,276

After the year end, in the Budget on 3 March 2021, it was announced that 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.

10. Dividends

	2020 £	2019 £
Dividend paid	644,676	-
	644,676	-

During the year, the Company paid dividends of £644,676 (2019: £Nil) to BE Midco Limited amounting to £644,676 per ordinary share in issue.

MA Cutlers Houndsditch 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

11. Fixed asset investments

	Investment in associates £
At cost	
At 1 January 2020	17,460,773
Additions	2,473,425
At 31 December 2020	<u>19,934,198</u>

Associate

The following was an associate of the Company:

Name	Registered office	Principal activity	Holding
Cutlers Houndsditch Unit Trust	IFC 1, The Esplanade, St Helier, Jersey, JE1 5BP	Property investment	50%

On 13 March 2019, the Company acquired 361,608.84 units of Cutlers Houndsditch Unit Trust ('CHUT'), a Jersey registered unit trust, for a consideration of £25,621,273. During the year, CHUT made a capital distribution of £8,160,500 by way of redemption of 284,207.06 units.

During the year, the Company subscribed for a further 36,962.25 units in CHUT for a total consideration of £2,473,425.

12. Intercompany loan receivable

			2020 £	2019 £
	Interest rate	Terms		
£22,000,000 Intercompany loan	0%	Payable on demand	1,436,224	-
			<u>1,436,224</u>	<u>-</u>

On 14 March 2019, the Company entered into a loan agreement with its associate, Cutlers Houndsditch Unit Trust, based on the terms disclosed above.

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13. Intercompany loan payable

			2020 £	2019 £
	Interest rate	Terms		
£20,000,000 Intercompany loan	0%	Payable on demand	-	17,538,112
			<u>-</u>	<u>17,538,112</u>

On 7 March 2019, the Company entered into a loan agreement with Brockton Everlast Inc. Limited on the terms disclosed above. On the same date, the Company also entered into a 3% interest rate loan agreement with Brockton Everlast Inc. Limited with a facility limit of £27,500,000. This interest bearing loan was drawn on and fully repaid during the prior period.

On 10 April 2019, the interest free loan was assigned and novated to BE Midco Limited, the Company's immediate parent company. All terms remained the same.

During the year, the intercompany loan balance was repaid through a combination of cash repayments and issue of shares.

14. Trade and other payables

	2020 £	2019 £
Other creditors	<u>-</u>	<u>40,082</u>

15. Deferred taxation

	2020 £
At beginning of year	11,276
Credited to profit or loss	(11,276)
At end of year	<u><u>-</u></u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	-	11,276
	<u>-</u>	<u>11,276</u>

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16. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
21,370,422 (2019: 1) ordinary shares of £1 each	21,370,422	1

On 11 October 2018, the date of incorporation, the Company issued one ordinary share of £1 at par to BE Midco Limited, the immediate parent company. On 30 December 2020 the Company issued 21,370,421 ordinary shares of £1 each for total consideration of £21,370,421.

17. 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.

18. 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.

Included in intercompany loans (note 13) was a loan received from the parent entity, which the Company considered subordinated to all the liabilities and managed it as capital.

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

19. 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 7, 8, 10, 11, 12, 13 and 16.

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20. 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.

21. Post balance sheet events

There were no events after the reporting date that require disclosure within the financial statements.