

Company Registration No. 11727924 (England and Wales)

ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

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ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		103,599		101,519
Current assets					
Debtors	5	683,416		208,283	
Cash at bank and in hand		1,003,500		836,914	
		<u>1,686,916</u>		<u>1,045,197</u>	
Creditors: amounts falling due within one year	6	<u>(862,261)</u>		<u>(709,397)</u>	
Net current assets			824,655		335,800
Total assets less current liabilities			<u>928,254</u>		<u>437,319</u>
Provisions for liabilities			<u>(15,936)</u>		<u>(14,224)</u>
Net assets			<u>912,318</u>		<u>423,095</u>
Capital and reserves					
Called up share capital	7		10		10
Profit and loss reserves			912,308		423,085
Total equity			<u>912,318</u>		<u>423,095</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 24 March 2022 and are signed on its behalf by:

A Abbas
Director

Company Registration No. 11727924

ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Art-Invest Real Estate Management UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Red Place, London, England, W1K 6PL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The impact of COVID-19 on the cash flows of the Company has been assessed by management, and no impact on the going concern assumption has been identified.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the life of the lease
Leasehold improvements	Over the life of the lease
Fixtures and fittings	20% Straight Line Method
Computers	20% Straight Line Method

ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	8	5
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ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Tangible fixed assets

	Leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2021	34,671	-	80,271	11,815	126,757
Additions	-	16,353	13,812	2,638	32,803
At 31 December 2021	34,671	16,353	94,083	14,453	159,560
Depreciation and impairment					
At 1 January 2021	8,013	-	15,738	1,487	25,238
Depreciation charged in the year	6,934	3,225	17,905	2,659	30,723
At 31 December 2021	14,947	3,225	33,643	4,146	55,961
Carrying amount					
At 31 December 2021	19,724	13,128	60,440	10,307	103,599
At 31 December 2020	26,658	-	64,533	10,328	101,519

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	455,711	-
Amounts owed by group undertakings	61,257	50,000
Other debtors	112,549	112,674
Prepayments and accrued income	53,899	45,609
	683,416	208,283

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	67,066	19,943
Amounts owed to group undertakings	131,368	270,178
Corporation tax	197,564	123,401
Other taxation and social security	215,987	115,399
Other creditors	6,961	6,148
Accruals and deferred income	243,315	174,328
	862,261	709,397

ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Called up share capital

	2021	2020
	£	£
Ordinary share capital Issued and fully paid		
10 Ordinary shares of £1 each	10	10
	<u>10</u>	<u>10</u>

8 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under cancellable operating leases, as follows:

	2021	2020
	£	£
Within one year	125,053	125,053
Between two and five years	229,264	374,131
	<u>354,317</u>	<u>499,184</u>

Per the existing lease agreement, the company has the option to terminate the lease on the 1st of November 2022 by giving the landlord not less than 6 months advance notice.

9 Pension commitments

The company operates a defined contribution pension scheme for the directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end, unpaid contributions of £5,980 (2020 - £5,167) were due to the fund. They are included in other creditors.

10 Events after the reporting date

The directors are of the opinion that there are no other significant adjusting or non-adjusting events occurring after the reporting date.

ART-INVEST REAL ESTATE MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Related party transactions

At the year end, the company was owed £50,000 (2020 - £50,000) by a fellow group undertaking in relation to an interest free loan which is unsecured and repayable on demand.

12 Parent company

The parent company of Art-Invest Real Estate Management UK Limited is Art-Invest Real Estate Management GmbH & Co. KG and its registered office is Am Kabellager 11 – 13, 51063 Köln, HRA 27764, Germany.

The smallest and largest group into which the entity is consolidated is Deutsche Immobilien Holding Aktiengesellschaft, a company registered in Germany. Its registered office is Nordenhamer Str. 180, 27751 Delmenhorst, Germany from which copies of the group financial statements can be obtained.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.