

Company No. 11773659

HE2 HAVERHILL 1 GP LIMITED
Unaudited Directors' Report and Financial Statements
For the year ended 31 December 2020

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HE2 HAVERHILL 1 GP LIMITED
Directors' Report and Financial Statements
For the year ended 31 December 2020

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HE2 HAVERHILL 1 GP LIMITED
Directors and other information
For the year ended 31 December 2020

| | |
|--------------------------------|---|
| Directors | Paul Cooper Robert Vicente Hannah Dove Caterina Juer |
| 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 |

HE2 HAVERHILL 1 GP LIMITED
Directors' report
For the year ended 31 December 2020

Directors' report

The Directors present their report and the unaudited financial statements of HE2 Haverhill 1 GP Limited, (the "Company") for the year ended 31 December 2020.

Incorporation and principal activity

The Company was incorporated in the United Kingdom on 17 January 2019, as a private limited company and £102 ordinary shares were issued at par on that date.

The principal activity of the Company is to act as General Partner to HE2 Haverhill 1 Limited Partnership (the "Partnership") registered in the United Kingdom as a limited partnership under the Limited Partnerships Act 1907 with registered number LP019986. The Company has exclusive responsibility for the management and control of the business.

Results and dividends

In accordance with the Companies Act 2006, small companies may omit the statement of profit or loss and other comprehensive income. As such, since the Company qualifies as a small company and there were no transactions to report during the year, the Company has elected to not present any statement of profit or loss and other comprehensive income.

The Directors do not recommend the payment of dividend for the year under review (2019: £Nil).

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.

The Company had a positive equity of £102 (2019: positive equity of £102) during the year ended 31 December 2020.

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.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern". The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries.

The uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis. Thus far, the Directors 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.

Post balance sheet events

The UK left the European Union ("EU") at 23:00 GMT on 31 January 2020 and has now completed the 11-month transition period during which the UK was bound to the EU's rules. On 30 December 2020, the UK and EU had signed a trade agreement referred as the EU-UK Trade and Cooperation Agreement ("TCA"). The TCA has been applied provisionally since 1 January 2021 and sets out ambitious cooperation on economic, social, environmental and fisheries issues. There is no evidence to 31 December 2020 of the consequences of Brexit on the Company's investments or operations. The Directors will continue to monitor development and assess for any change.

Directors and their interests

The following Directors were appointed during the year, and to the date of this report:

- Paul Cooper
- Robert Vicente
- David Rudge (Resigned on 24 August 2020)
- Eugenia Schroeder (Resigned on 27 May 2020)
- Hannah Dove (Appointed on 24 August 2020)
- Caterina Juer (Appointed on 27 May 2020)

The Directors did not have any interest in the shares or options of the Company at any time during the year ended 31 December 2020 (2019: £Nil).

HE2 HAVERHILL 1 GP LIMITED
Directors' report (continued)
For the year ended 31 December 2020

Political contributions

The Company did not make any political donations during the year (2019: £Nil).

Paul Cooper
Director

DocuSigned by:
Paul Cooper
526DEFB85A0846A...
11 October 2021

HE2 HAVERHILL 1 GP LIMITED
Statement of Directors' responsibilities
For the year ended 31 December 2020

Statement of Directors' responsibilities

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

The Company's financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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 year. In preparing these financial statements, the Directors are required

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board

DocuSigned by:

528DEF8a591b48A...
Paul Cooper
Director

Date: 11 October 2021

HE2 HAVERHILL 1 GP LIMITED
Statement of financial position
As at 31 December 2020

| | | 31 December 2020 | 31 December 2019 |
|-------------------------------------|-------|------------------|------------------|
| | | £ | £ |
| | Notes | | |
| ASSETS | | | |
| Non current assets | | | |
| Investment in subsidiaries | 5 | 102 | 102 |
| Total non-current assets | | 102 | 102 |
| Current assets | | | |
| Other receivables | 3 | 2,102 | 1,102 |
| Total current assets | | 2,102 | 1,102 |
| Total assets | | 2,204 | 1,204 |
| EQUITY AND LIABILITIES | | | |
| Current liabilities | | | |
| Other payables | 4 | 2,102 | 1,102 |
| Total current liabilities | | 2,102 | 1,102 |
| Equity | | | |
| Share capital | 6 | 102 | 102 |
| Total equity | | 102 | 102 |
| Total equity and liabilities | | 2,204 | 1,204 |

For the year ended 31 December 2020, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 5 to 13 were approved by the Board of Directors on 11 October 2021 and were signed on its behalf by:

On behalf of the board

DocuSigned by:

 52BDEFB859084BA...
 Paul Cooper
 Director
 Company No. 11773659

11 October 2021

The notes on pages 7 to 13 form part of these unaudited financial statements.

HE2 HAVERHILL 1 GP LIMITED
Statement of changes in shareholder's equity
For the year ended 31 December 2020

| | Share capital £ | Total equity £ |
|-----------------------------|-----------------------|----------------------|
| At 17 January 2019 | - | - |
| Issuance of ordinary shares | 102 | 102 |
| At 31 December 2019 | 102 | 102 |
| | Share capital £ | Total equity £ |
| At 1 January 2020 | 102 | 102 |
| Issuance of ordinary shares | - | - |
| At 31 December 2020 | 102 | 102 |

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

The notes on pages 7 to 13 form part of these unaudited financial statements.

HE2 HAVERHILL 1 GP LIMITED
Notes to the financial statements
For the year ended 31 December 2020

1. General information

HE2 Haverhill 1 GP Limited (the "Company") was incorporated on 17 January 2019 in the United Kingdom (UK) with registered number 11773659. 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 Haverhill 1 Limited Partnership (the "Partnership") registered in the United Kingdom as a limited partnership under the Limited Partnerships Act 1907 with registered number LP019986. The Company has exclusive responsibility for the management and control of the business.

2. Significant accounting policies

(a) 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 not presented any income statement and cash flow statement as there were no transactions to report.

Administrative expenses incurred in the period have been paid on behalf of the Company by HE2 Haverhill 1 Limited Partnership, and have not been recognised in these financial statements.

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 2020

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

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2020 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 2020 or later periods and are expected to be relevant to the Company.

| Standard / Interpretation | Content | Applicable for financial years on/after |
|---|--|---|
| Amendments to IAS 1 | Interest Rate Benchmark Reform | 01/01/2023 |
| Amendments to IFRS 3 | Reference to the conceptual framework | 01/01/2022 |
| Annual improvements to IFRS Standards 2018-2020 Cycle | Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IFRS 9 Financial Instruments | 01/01/2022 |

The Directors do not expect that the adoption of the above standards will have a material impact on the financial statements of the Company in future periods.

HE2 HAVERHILL 1 GP LIMITED
Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Significant accounting policies (continued)

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 2020, the Company had a positive equity of £102 (2019: positive equity of £102). 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.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern". The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries.

The uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis. Thus far, the Directors 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.

Foreign currency translation

Functional and presentation currency

The financial statements are presented in Pound Sterling (£), which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Company's main transactions are denominated in £. The Directors of the Company believe that £ most fairly represents the economic effects of the underlying transactions, events and conditions.

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.

Allocation of profit and loss

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.

Taxation

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent 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. No tax reconciliation has been shown since the Company had no tax liability at the year end.

HE2 HAVERHILL 1 GP LIMITED
Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Significant accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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.

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.

HE2 HAVERHILL 1 GP LIMITED
Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Significant accounting policies (continued)

Financial instruments (continued)

iii. Derecognition (continued)

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.

3. Other receivables

| | 31 December 2020 £ | 31 December 2019 £ |
|-------------------------------|-----------------------|-----------------------|
| Amount due from related party | 2,000 | 1,000 |
| Settlement with shareholders | 102 | 102 |
| | <u>2,102</u> | <u>1,102</u> |

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

4. Other payables

| | 31 December 2020 £ | 31 December 2019 £ |
|------------------------|-----------------------|-----------------------|
| Due to related parties | 2,102 | 1,102 |
| | <u>2,102</u> | <u>1,102</u> |

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

5. Investment in subsidiaries

| | 31 December 2020 £ | 31 December 2019 £ |
|----------------------------|-----------------------|-----------------------|
| Investment in subsidiaries | 102 | 102 |
| | <u>102</u> | <u>102</u> |

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

The principal activity of HE2 N1 Haverhill 1 Limited and HE2 N2 Haverhill 1 Limited is to acquire property on behalf of the Partnership. The principal activity of HE2 Haverhill 1 Limited Partnership is to acquire, hold and manage property as an investment with the principal objective of generating profit. The registered office address of HE2 Haverhill 1 Limited Partnership, HE2 N2 Haverhill 1 Limited and HE2 N1 Haverhill 1 Limited is 3rd Floor, 11-12, St. James's Square, London, United Kingdom, SW1Y 4LB.

HE2 HAVERHILL 1 GP LIMITED
Notes to the financial statements (continued)
For the year ended 31 December 2020

6. Share capital

| | 31 December 2020 | 31 December 2019 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Opening share capital | 102 | - |
| Share capital issued | - | 102 |
| Closing share capital | <u>102</u> | <u>102</u> |

The authorised share capital of the Company consists of 102 shares of £1 each. As at 31 December 2020, 102 shares (2019: 102 shares) were in issue amounting to £102 (2019: £102).

7. Financial risk management

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)

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.

Principal financial instruments

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

- Other receivables
- Other payables

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 2020 | 31 December 2019 |
|-------------------|------------------|------------------|
| | £ | £ |
| Other receivables | 2,102 | 1,102 |
| | <u>2,102</u> | <u>1,102</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 2020, the total of other receivables was £2,102 (2019: £1,102).

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.

HE2 HAVERHILL 1 GP LIMITED
Notes to the financial statements (continued)
For the year ended 31 December 2020

7. Financial risk management (continued)

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.

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 | 2,102 | - | - | - | 2,102 |
| | <u>2,102</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,102</u> |

The maturity analysis of financial liabilities at 31 December 2019 is as follows:

| | Within one year | Between one and two years | Between two and five years | Later than 5 years | Total |
|--------------------|--------------------|------------------------------|-------------------------------|--------------------|--------------|
| | £ | £ | £ | £ | £ |
| Liabilities | | | | | |
| Other payables | 1,102 | - | - | - | 1,102 |
| | <u>1,102</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,102</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.

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.

8. Holding and ultimate parent company

The ultimate parent of the Company are EU Industrial Club II UK AIV SCSp ("SCSp"), Luxembourg. The majority interest of SCSp is held by First State Superannuation Scheme and Future Fund Board of Guardians.

HE2 HAVERHILL 1 GP LIMITED
Notes to the financial statements (continued)
For the year ended 31 December 2020

9. Related party transactions

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

| Related party | Nature of transactions | Nature of relationship | 2020 | | 2019 | |
|-------------------------------------|----------------------------------|------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | | | Transactions during the year | Balance receivable/ (payable) | Transactions during the year | Balance receivable/ (payable) |
| | | | £ | £ | £ | £ |
| EU Industrial Club II UK AIV SCSp | Share capital receivable | Shareholder | - | 102 | 102 | 102 |
| HE2 Haverhill 1 Limited Partnership | Allocation of profits | Investee | 1,000 | 2,000 | 1,000 | 1,000 |
| HE2 Haverhill 1 Limited Partnership | Payable for investment purchased | Investee | - | (100) | (100) | (100) |
| HE2 N1 Haverhill 1 Limited | Share capital payable | Subsidiary | - | (1) | - | (1) |
| HE2 N2 Haverhill 1 Limited | Share capital payable | Subsidiary | - | (1) | - | (1) |

10. Post balance sheet events

The UK left the European Union ("EU") at 23:00 GMT on 31 January 2020 and has now completed the 11-month transition period during which the UK was bound to the EU's rules. On 30 December 2020, the UK and EU had signed a trade agreement referred as the EU-UK Trade and Cooperation Agreement ("TCA"). The TCA has been applied provisionally since 1 January 2021 and sets out ambitious cooperation on economic, social, environmental and fisheries issues. There is no evidence to 31 December 2020 of the consequences of Brexit on the Company's investments or operations. The Directors will continue to monitor development and assess for any change.