

COMPANY REGISTRATION NUMBER: 0344034

HURSTWAY INVESTMENT COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

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HURSTWAY INVESTMENT COMPANY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

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HURSTWAY INVESTMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

D M Sinclair
M M Bray

Company secretary

M M Bray

Registered office

Mountview House
151 High Street
Southgate
London
N14 6EW

Auditor

BSG Valentine (UK) LLP
Chartered accountants & statutory auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

HURSTWAY INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements of the company for the year ended 31 March 2021.

Principal activities

The principal activity of the company during the year was that of dealings in freehold and leasehold properties.

Directors

The directors who served the company during the year were as follows:

D M Sinclair
M M Bray

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The directors consider that there are no significant future developments to be reported.

Financial instruments

It is not deemed material to disclose financial risk management objectives and policies of the company for the assessment of its assets, liabilities, financial position and profit.

Research and development

The company does not currently undertake any research and development activities.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

HURSTWAY INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 6 July 2021 and signed on behalf of the board by:


M M Bray
Director

Registered office:
Mountview House
151 High Street
Southgate
London
N14 6EW

HURSTWAY INVESTMENT COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HURSTWAY INVESTMENT
COMPANY LIMITED
YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Hurstway Investment Company Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

HURSTWAY INVESTMENT COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HURSTWAY INVESTMENT
COMPANY LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

HURSTWAY INVESTMENT COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HURSTWAY INVESTMENT
COMPANY LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

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.

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 identified and assessed the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. Our procedures included enquiry of management, together with a review of supporting documentation such as board minutes and legal expenses. We also performed analytical review procedures to identify any unusual relationships that may indicate a material misstatement, and additionally tested the appropriateness of journals to address the risk of fraud through management override of controls. We also performed appropriate testing in respect of the risk of fraud in revenue recognition and in respect of the risk of management bias in the valuation of property inventory. Relevant laws and regulations, together with potential fraud risks, were communicated to the audit engagement team at the planning stage to ensure they remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

HURSTWAY INVESTMENT COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HURSTWAY INVESTMENT
COMPANY LIMITED (continued)**

YEAR ENDED 31 MARCH 2021

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

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.

BSG Valentine (UK) LLP

Gary Allen FCA (Senior Statutory Auditor)

For and on behalf of
BSG Valentine (UK) LLP
Chartered accountants & statutory auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

6 July 2021

HURSTWAY INVESTMENT COMPANY LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	2,487,272	3,586,197
Cost of sales		(441,969)	(942,942)
Gross profit		<u>2,045,303</u>	<u>2,643,255</u>
Administrative expenses		(305)	(365)
Operating profit		<u>2,044,998</u>	<u>2,642,890</u>
Profit before taxation		<u>2,044,998</u>	<u>2,642,890</u>
Tax on profit	5	(388,550)	(502,149)
Profit for the financial year and total comprehensive income		<u>1,656,448</u>	<u>2,140,741</u>
Retained earnings at the start of the year		<u>32,262,186</u>	<u>30,121,445</u>
Retained earnings at the end of the year		<u>33,918,634</u>	<u>32,262,186</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 13 form part of these financial statements.

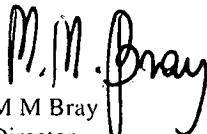
HURSTWAY INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2021

	Note	2021 £	2020 £
Current assets			
Stocks	6	28,939,284	28,872,977
Debtors	7	5,138,083	3,707,844
Cash at bank and in hand		38,030	26,769
		<u>34,115,397</u>	<u>32,607,590</u>
Creditors: amounts falling due within one year	8	<u>(179,863)</u>	<u>(328,504)</u>
Net current assets		<u>33,935,534</u>	<u>32,279,086</u>
Total assets less current liabilities		<u>33,935,534</u>	<u>32,279,086</u>
Net assets		<u>33,935,534</u>	<u>32,279,086</u>
Capital and reserves			
Called up share capital	9	100	100
Other reserves, including the fair value reserve	10	16,800	16,800
Profit and loss account	10	33,918,634	32,262,186
Shareholders funds		<u>33,935,534</u>	<u>32,279,086</u>

These financial statements were approved by the board of directors and authorised for issue on 6 July 2021, and are signed on behalf of the board by:


M M Bray
Director

Company registration number: 0344034

The notes on pages 10 to 13 form part of these financial statements.

HURSTWAY INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Mountview House, 151 High Street, Southgate, London, N14 6EW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Mountview Estates PLC which can be obtained from Mountview House, 151 High Street, Southgate, London N14 6EW. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The turnover shown in the profit and loss accounts represents rents received and proceeds from sales of properties before charging expenses and taking credit for other sundry items of revenue. Rental income is recognised over the period of rental period in accordance with the lease terms and property sales are recognised on legal completion.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

HURSTWAY INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Sale of properties and rental income	<u>2,487,272</u>	<u>3,586,197</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	<u>388,550</u>	<u>502,149</u>
Tax on profit	<u>388,550</u>	<u>502,149</u>

HURSTWAY INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

5. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is the same as (2020: the same as) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit on ordinary activities before taxation	<u>2,044,998</u>	<u>2,642,890</u>
Profit on ordinary activities by rate of tax	<u>388,550</u>	<u>502,149</u>

6. Stocks

	2021 £	2020 £
Property stock	<u>28,939,284</u>	<u>28,872,977</u>

7. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	5,100,515	3,673,399
Prepayments and accrued income	<u>37,568</u>	<u>34,445</u>
	<u>5,138,083</u>	<u>3,707,844</u>

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	1,312	2,488
Corporation tax	<u>178,551</u>	<u>326,016</u>
	<u>179,863</u>	<u>328,504</u>

9. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

HURSTWAY INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

10. Reserves

Called up share capital - This represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Other reserves - This reserve is maintained to deal with non-insured risks.

The company maintains public liability insurance cover on the whole of its property stock inventories. It does not maintain insurance cover against other non-major risks except where several properties are located in a close physical vicinity. A reserve is maintained to deal with such non-insured risks.

A reserve of £16,800 has been maintained at the year end. This represents a reserve in lieu of property insurance costs to cover potential exposure to liability for the above described liabilities.

11. Contingencies

The company is party to a cross-guarantee in respect of group bank borrowings. At the balance sheet date such borrowings totalled £3,331,656 (2020: £16,494,699). No provision has been made in the financial statements for this contingent liability because the directors are of the opinion that the liability will not crystallise.

12. Related party transactions

The company has taken advantage of the exemption in FRS 102 from disclosing transactions and balances with other wholly owned group companies.

13. Controlling party

The directors consider the ultimate parent company to be Mountview Estates PLC, a company registered in England and Wales. Mountview Estates PLC is the parent company of the largest and smallest group that Hurstway Investment Company Limited is a member, and which prepares group financial statements in which the company is consolidated.

The Group's consolidated financial statements are available from Mountview House, 151 High Street, Southgate, London N14 6EW.