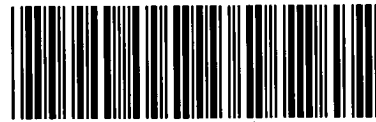


Company Registration No. 08227521 (England and Wales)

PROPER PROPERTY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

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PROPER PROPERTY LIMITED

COMPANY INFORMATION

Directors	Mr A Godber Mr J T M Schulpen Mr K H N Schulpen
Secretary	Mr A Godber
Company number	08227521
Registered office	Birbeck House 11-13 Brunel Road Earlstrees Industrial Estate Corby Northamptonshire NN17 4SW
Auditor	Berry Accountants Ltd Bowden House 36 Northampton Road Market Harborough Leicestershire LE16 9HE

PROPER PROPERTY LIMITED

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PROPER PROPERTY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

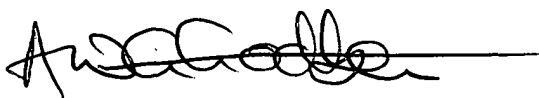
	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3		798,527		1,789,822
Current assets					
Debtors	4	950,327		10,614	
Cash at bank and in hand		215,203		216,922	
		<u>1,165,530</u>		<u>227,536</u>	
Creditors: amounts falling due within one year	5	<u>(39,513)</u>		<u>(104,964)</u>	
Net current assets			<u>1,126,017</u>		<u>122,572</u>
Total assets less current liabilities			<u>1,924,544</u>		<u>1,912,394</u>
Creditors: amounts falling due after more than one year	6		(1,029,480)		(881,280)
Provisions for liabilities			-		(6,932)
Net assets			<u>895,064</u>		<u>1,024,182</u>
Capital and reserves					
Called up share capital	7	950,000		950,000	
Profit and loss reserves		(54,936)		74,182	
Total equity			<u>895,064</u>		<u>1,024,182</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 27 July 2017 and are signed on its behalf by:

Mr A Godber
Director



Company Registration No. 08227521

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Proper Property Limited is a private company limited by shares incorporated in England and Wales. The registered office is Birbeck House, 11-13 Brunel Road, Earlstrees Industrial Estate, Corby, Northamptonshire, NN17 4SW.

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 on 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.

An insurance claim has been made which will enable the company to rebuild rental property, and the business interruption claim will enable the company to continue to meet its obligation to pay interest on the loan.

The principle creditor is the parent company loan of €1,200,000 which is not due for repayment until 2023, the parent company will continue to support the company in the next 12 months.

The directors expect the company to return a profit when the insurance claim has been settled.

1.3 Turnover

Turnover represents amounts receivable for rental charges net of VAT.

Revenue comprises rentals received on an accruals basis.

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:

Land and buildings Freehold	0% - 20% straight line per annum on cost
Fixtures, fittings & equipment	20% straight line per annum on cost

No depreciation is provided in respect of freehold land. The freehold property is charged depreciation on a straight line basis over 40 years, and improvements to the building are depreciated on a straight line basis over 10 years.

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Following the destruction of the freehold building and the current uncertainty as to the cost of the replacement building and total insurance proceeds to be received, the building has been removed at book value.

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.

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Loan in foreign currency

The long term loan of €1,200,000 from the ultimate parent company is converted into sterling at the year end.

In 2016 the currency loss of £149,940 (2015 - £54,393 gain) has been taken to the profit and loss account.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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.

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

1.10 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 are included in the profit and loss account for the period.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Land valuation

The directors have valued the land at £750,000 (2015 - £750,000)

As the property has been completely destroyed no value has been attributed to the buildings as at 31 December 2016.

Other assets remaining have been valued at the amount refunded after the year end.

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Value of loan

The loan of €1,200,000 has been revalued at the prevailing rates each year end. The loan is due to be repaid in full by 22 July 2023, the effect of currency movements will be reflected each year until the loan is repaid in full.

As a consequence of the UK voting to leave the EU the company suffered a significant loss of exchange in the current year.

The directors have not made a provision for any further devaluation in the pound that may occur between the year end and the date of repayment of the loan.

Insurance claim

The directors have made a claim but as yet have not received payment from the insurance company. The company is insured against both material damage to the property (which is expected to be sufficient to cover rebuild costs) and business interruption to recover lost rentals whilst the property is rebuilt.

The cover for business interruption extends for 3 years, the directors consider this to be a sufficient time period in which to rebuild the premise and restore tenants.

3 Tangible fixed assets

	Land and buildings Freehold £
Cost	
At 1 January 2016	1,887,713
Disposals	(1,089,186)
At 31 December 2016	798,527
Depreciation and impairment	
At 1 January 2016	97,891
Depreciation charged in the year	58,123
Eliminated in respect of disposals	(156,014)
At 31 December 2016	-
Carrying amount	
At 31 December 2016	798,527
At 31 December 2015	1,789,822

Freehold land and buildings with a carrying amount of £750,000 (2015 - £1,505,266) may not be pledged or used as security for other borrowings or to sold to another entity, without the prior consent of Hapelux S.A as long as the agreement to provide the €1,200,000 loan remains in place.

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises
 Freehold land of £750,000 (2015 - £750,000)
 Assets under construction £48,527 (2015 - £91,756)
 The freehold land and assets under construction are not depreciated within these accounts.

4 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	-	23
Other debtors	950,327	10,591
	<u>950,327</u>	<u>10,614</u>

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Corporation tax	-	20,689
Other taxation and social security	-	4,785
Other creditors	39,513	79,490
	<u>39,513</u>	<u>104,964</u>

6 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Amounts due to group undertakings	1,029,480	881,280
	<u>1,029,480</u>	<u>881,280</u>

The long term loan represents a loan of €1,200,000 from the ultimate parent company Hapelux S.A. The loan is repayable by 22 July 2023.

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	<u>(1,029,480)</u>	<u>(881,279)</u>
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PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
950,000 Ordinary of £1 each	950,000	950,000

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures concerning disposal of the freehold building as a result of fire and the ultimate cost of the replacement which is expected to be covered by the insurance in place. The building has been removed at book value and will be amended when the actual figures are determined. Our opinion is not qualified in this respect. The ultimate outcome of the matter cannot presently be determined and no provision for any additional sums received above the net book value that may result has been made in the financial statements.

The senior statutory auditor was Adrian Neal BA (Hons) FCA.

The auditor was Berry Accountants Ltd.

9 Contingent asset

10 Financial commitments, guarantees and contingent liabilities

The company is to receive funds following the insurance claim lodged for the destruction by fire of its freehold building. This amount although not in dispute with the insurance company has yet to be determined and is contingent upon the ultimate cost of the replacement building which is expected to be higher than the book value written off in the accounts. The building was insured to the sum of £5m which is considered by the directors to be well in excess of the total amount expected to rebuild the property.

11 Events after the reporting date

12 Parent company

The immediate parent company is Pecege Vastgoed B.V. a company registered in The Netherlands, and the ultimate parent company is Hapelux S.A. a company registered in Luxembourg. Schulpen Beheer B.V. prepares group accounts and copies can be obtained from Zaalbergweg 17, 2314 XS Leiden, The Netherlands.