

Company Registration No. 08227521 (England and Wales)

PROPER PROPERTY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

SATURDAY



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PROPER PROPERTY LIMITED

COMPANY INFORMATION

Directors	Mr A W G Godber Mr J T M Schulpen Mr K H N Schulpen
Secretary	Mr A W G 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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continued to be that of commercial property rental.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A W G Godber
Mr J T M Schulpen
Mr K H N Schulpen

Financial instruments

Foreign currency risk

The company's principal foreign currency exposures arise from the loan of €1,200,000 from its parent.

Auditor

The auditor, Berry Accountants Ltd, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr K H N Schulpen

Director

29 August 2018

PROPER PROPERTY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

PROPER PROPERTY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF PROPER PROPERTY LIMITED

Opinion

We have audited the financial statements of Proper Property Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, the balance sheet and notes to the financial statements, 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 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our 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.

PROPER PROPERTY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF PROPER PROPERTY LIMITED

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 where 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

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

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

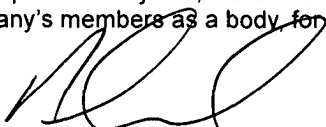
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



Adrian Neal BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Berry Accountants Ltd
Chartered Accountants
Statutory Auditor

29 August 2018

Bowden House
36 Northampton Road
Market Harborough
Leicestershire
LE16 9HE

PROPER PROPERTY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover		140,000	140,000
Administrative expenses		(55,179)	(240,312)
Exceptional income	2	1,835,617	-
Operating profit/(loss)		1,920,438	(100,312)
Interest payable and similar expenses		(37,835)	(35,738)
Profit/(loss) before taxation		1,882,603	(136,050)
Taxation		(348,080)	6,932
Profit/(loss) for the financial year		1,534,523	(129,118)

PROPER PROPERTY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		833,260		798,527
Current assets					
Debtors	4	2,765,667		950,327	
Cash at bank and in hand		327,108		215,203	
		<u>3,092,775</u>		<u>1,165,530</u>	
Creditors: amounts falling due within one year	5	<u>(98,344)</u>		<u>(39,513)</u>	
Net current assets			2,994,431		1,126,017
Total assets less current liabilities			<u>3,827,691</u>		<u>1,924,544</u>
Creditors: amounts falling due after more than one year	6		(1,064,760)		(1,029,480)
Provisions for liabilities			<u>(333,343)</u>		-
Net assets			<u><u>2,429,588</u></u>		<u><u>895,064</u></u>
Capital and reserves					
Called up share capital	7		950,000		950,000
Profit and loss reserves			<u>1,479,588</u>		<u>(54,936)</u>
Total equity			<u><u>2,429,588</u></u>		<u><u>895,064</u></u>

These financial statements have been prepared 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 29 August 2018 and are signed on its behalf by:



Mr K H N Schulpen
Director

Company Registration No. 08227521

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Pecege Beheer B.V. These consolidated financial statements are available from its registered office, Zaalbergweg 17, 2314 XS Leiden, The Netherlands.

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

Following the destruction by fire of the company's commercial property during 2016 an insurance claim has been made which will enable the property to be rebuilt and interest payments made to the parent company will be covered by the business interruption insurance. 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.

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.

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 or buildings under construction. 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.

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.

The insurance claim monies received for costs incurred in making the site safe, demolition and professional fees in connection with the rebuild, have been treated as part of the costs of disposal of the building.

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).

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks.

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies.

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

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 2017 the currency loss of £36,154 (2016 - £149,940) has been taken to the profit and loss account.

1.7 Equity instruments

1.8 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.

1.9 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.

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2 Exceptional costs/(income)

	2017 £	2016 £
Exceptional profit on disposal buildings	(1,835,617)	-

3 Tangible fixed assets

	Land and buildings Freehold £	Assets under construction £	Total £
Cost			
At 1 January 2017	798,527	-	798,527
Additions	-	83,260	83,260
Disposals	(48,527)	-	(48,527)
At 31 December 2017	750,000	83,260	833,260
Depreciation and impairment			
At 1 January 2017 and 31 December 2017	-	-	-
Carrying amount			
At 31 December 2017	750,000	83,260	833,260
At 31 December 2016	798,527	-	798,527

Freehold land and buildings with a carrying amount of £833,260 (2016 - £798,527) 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.

The carrying value of land and buildings comprises
Freehold land of £750,000 (2016 - £750,000)
Assets under construction £ 83,260 (2016 - £48,527)
The freehold land and assets under construction are not depreciated within these accounts.

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	2,765,667	950,327

PROPER PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	43,465	-
Corporation tax	14,737	-
Other creditors	40,142	39,513
	<u>98,344</u>	<u>39,513</u>

6 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Amounts due to group undertakings	<u>1,064,760</u>	<u>1,029,480</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>1,064,760</u>	<u>1,029,480</u>
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7 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
950,000 Ordinary of £1 each	<u>950,000</u>	<u>950,000</u>
	<u>950,000</u>	<u>950,000</u>

8 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. Pecege Beheer B.V. prepares group accounts in which Proper Property Limited is consolidated and copies can be obtained from Zaalbergweg 17, 2314 XS Leiden, The Netherlands.