

Hills Balfour Holdings Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

Company Registration No. 10860510 (England and Wales)

Hills Balfour Holdings Limited

Company Information

Directors	C Gessner	(Appointed 13 April 2020)
	K Lapeer	
	H McConnell	
	D Murphy	(Appointed 14 September 2020)
	C Reid	
	C Moultrie	
	A Wiegand	
Secretary	Vistra Cosec Limited	
Company number	10860510	
Registered office	58 Southwark Bridge Road London United Kingdom SE1 0AS	
Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL	

Hills Balfour Holdings Limited

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Hills Balfour Holdings Limited

Strategic Report

For the year ended 31 December 2020

The directors present the strategic report for the year ended 31 December 2020.

Principal activities and review of business

The principal activity of the company is that of a holding company.

The company is a non-trading intermediate holding company with no employees or turnover.

In August 2020 the company received a dividend of £4,404,114 from its subsidiary, Hills Balfour Limited.

Principal risks and uncertainties

The Board has reviewed all risks and uncertainties and as a result of the limited nature of the company, deemed there to be no risk or uncertainty.

Key performance indicators

The company is a non-trading entity.

This is the third year of reporting for this entity.

Administrative expenses for the year were £7,580 (2019 - £780).

Profit before taxation for the year was £4,396,534 (2019 - £1,229,270) arising from interest on fixed asset investments.

On behalf of the board

H McConnell

Director

6 July 2021

Hills Balfour Holdings Limited

Directors' Report

For the year ended 31 December 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of a holding company.

Directors

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

C Gessner (Appointed 13 April 2020)

K Lapeer

H McConnell

D Murphy

C Reid

C Moultrie

(Appointed 14 September 2020)

A Wiegand

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £4,354,504. The directors do not recommend payment of a further dividend.

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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.

Hills Balfour Holdings Limited

Directors' Report (Continued)

For the year ended 31 December 2020

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.
On behalf of the board

H McConnell

Director

6 July 2021

Hills Balfour Holdings Limited

Independent Auditor's Report

To the Members of Hills Balfour Holdings Limited

Opinion

We have audited the financial statements of Hills Balfour Holdings Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 2020 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

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.

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.

Hills Balfour Holdings Limited

Independent Auditor's Report (Continued)

To the Members of Hills Balfour Holdings Limited

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Strategic Report and 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.

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.

Hills Balfour Holdings Limited

Independent Auditor's Report (Continued)

To the Members of Hills Balfour Holdings Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

~~We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.~~

Hills Balfour Holdings Limited

Independent Auditor's Report (Continued)

To the Members of Hills Balfour Holdings Limited

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Esther Carder (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

8 July 2021

Chartered Accountants
Statutory Auditor

Charlotte Building
17 Gresse Street
London
W1T 1QL

Hills Balfour Holdings Limited

Statement of Comprehensive Income For the year ended 31 December 2020

	Notes	2020 £	2019 £
Administrative expenses		(7,580)	(780)
Interest receivable and similar income	4	4,404,114	1,300,050
Profit before taxation		4,396,534	1,299,270
Taxation		-	-
Profit for the financial year		4,396,534	1,299,270

Hills Balfour Holdings Limited

Balance Sheet

As at 31 December 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	6	7,626,093		7,626,093	
Current assets					
Cash at bank and in hand		31		61	
Creditors: amounts falling due within one year	8	(17,059)		(59,119)	
Net current liabilities			(17,028)		(59,058)
Total assets less current liabilities		7,609,065		7,567,035	
Capital and reserves					
Called up share capital	9	107		107	
Profit and loss reserves		7,608,958		7,566,928	
Total equity		7,609,065		7,567,035	

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

H McConnell
Director

Company Registration No. 10860510

Hills Balfour Holdings Limited

Statement of Changes in Equity

For the year ended 31 December 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019		107	7,567,708	7,567,815
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	1,299,270	1,299,270
Dividends	5	-	(1,300,050)	(1,300,050)
Balance at 31 December 2019		107	7,566,928	7,567,035
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	4,396,534	4,396,534
Dividends	5	-	(4,354,504)	(4,354,504)
Balance at 31 December 2020		107	7,608,958	7,609,065

Hills Balfour Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting policies

Company information

Hills Balfour Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 58 Southwark Bridge Road, London, United Kingdom, SE1 0AS.

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.

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 pound.

The financial statements have been prepared under 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 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 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of MMGY Global UK Holding Ltd. These consolidated financial statements are available from its registered office, 58 Southwark Bridge Road, London, SE1 0AS. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The company made a profit for the year of £4,396,534 (2019: £1,299,270) and as at the balance sheet date had net assets of £7,609,065 (2019: £7,567,035). During the year, there has been the global impact of the Coronavirus (COVID-19) pandemic. The company has assessed the risks and the potential impact on the business as a result of the pandemic and measures have been taken to mitigate such risks and their impact and the directors are confident that they have the ability to respond effectively to continued uncertainty.

The purpose of the company is to hold the investments in its subsidiaries which are expected to be profitable for the foreseeable future, defined as at least a 12 month period from the expected date of signing these financial statements. On this basis the directors have a reasonable expectation that the company will be able to request dividends from subsidiaries to enable the company to settle any liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

Hills Balfour Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies

(Continued)

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 Cash at bank and in hand

Cash at bank and in hand 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.

1.5 Financial instruments

The Company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

1.6 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.

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.

The directors have considered whether any critical estimates or judgements have been made in the preparation of these financial statements and believe there are none to note.

Critical judgements

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

Impairment of investments

The company held investments in subsidiaries at year end of £7,626,093, as detailed in note 7. The recoverable amount of these investments is based on future cash flows for the individual investments. In determining whether any impairment is required, management makes a number of estimates in respect of future cash flows and future earnings growth. Following their assessment and review, the directors have determined no impairment is necessary.

Hills Balfour Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

3 Employees

The company had no employees during the current year or prior year.

4 Interest receivable and similar income

	2020 £	2019 £
Income from fixed asset investments		
Income from shares in group undertakings	4,404,114	1,300,050
	<u> </u>	<u> </u>

5 Dividends

	2020 £	2019 £
Final paid	4,354,504	1,300,050
	<u> </u>	<u> </u>

6 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	7	7,626,093	7,626,093
		<u> </u>	<u> </u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2020 & 31 December 2020	7,626,093
	<u> </u>
Carrying amount	
At 31 December 2020	7,626,093
	<u> </u>
At 31 December 2019	7,626,093
	<u> </u>

Hills Balfour Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Hills Balfour International DMCC	a)	Marketing, public relations and creative strategy production for the travel industry	Ordinary	0	100.00
QUO - Europe Ltd	b)	Dormant	Ordinary	0	100.00
Hills Balfour Limited	b)	Marketing, public relations and creative strategy production for the travel industry	Ordinary	100.00	0
B I Marketing Ltd	b)	Marketing in the leisure and tourism industry	Ordinary	100.00	0

a) DMCC Marina Plaza Tower, Dubai Marina, Dubai.

b) 58 Southwark Bridge Road, London, SE1 0AS

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts due to group undertakings	-	49,610
Other creditors	1,259	1,259
Accruals and deferred income	15,800	8,250
	<u>17,059</u>	<u>59,119</u>

9 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
212 A Ordinary shares of 50p each	106	106
1 B Ordinary share of 50p each	1	1
	<u>107</u>	<u>107</u>

Hills Balfour Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

10 Controlling party

The immediate parent company and the parent company of the smallest group for which consolidated financial statements are drawn up of which the company is a member is MMGY Global UK Holding Ltd, a company incorporated in the United Kingdom, with a registered office of 58 Southwark Bridge Road, London, SE1 0AS. Copies of financial statements are available from Companies House.

The ultimate parent company and the largest to consolidate is MMGY Global LLC, a company incorporated in the United States of America with a registered office of 4601 Madison Avenue, Kansas City, MO 64112.

