

Financial Statements

for the period

1 October 2020 to 31 August 2021

for

HARVINGTON PROPERTIES LIMITED

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for the period 1 October 2020 to 31 August 2021

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HARVINGTON PROPERTIES LIMITED

Company Information
for the period 1 October 2020 to 31 August 2021

Directors:

I P Fitter ACA
S L Massey
I K Ganney

Secretary:

Ms C A Freeman

Registered office:

417 Finchley Road
Hampstead
London
NW3 6HJ

Registered number:

02069071 (England and Wales)

Auditors:

Haines Watts
Chartered Accountants and Statutory Auditors
3rd Floor
Marlborough House
298 Regents Park Road
Finchley
London
N3 2SZ

Balance Sheet
31 August 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	4		730,079		738,108
Investment property	5		<u>12,399,112</u>		<u>12,399,112</u>
			13,129,191		13,137,220
Current assets					
Stocks	6	1,025,479		906,135	
Debtors	7	154,473		113,630	
Cash at bank		<u>3,372,987</u>		<u>5,268,736</u>	
		4,552,939		6,288,501	
Creditors					
Amounts falling due within one year	8	<u>390,497</u>		<u>1,671,071</u>	
Net current assets			<u>4,162,442</u>		<u>4,617,430</u>
Total assets less current liabilities			17,291,633		17,754,650
Creditors					
Amounts falling due after more than one year	9		(1,208,927)		(2,474,212)
Provisions for liabilities	11		<u>(560,518)</u>		<u>(425,767)</u>
Net assets			<u>15,522,188</u>		<u>14,854,671</u>
Capital and reserves					
Called up share capital	12		13,345		13,345
Share premium	13		505,731		505,731
Revaluation reserve	13		504,946		510,151
Capital redemption reserve	13		4,055		4,055
Other reserves	13		3,589,890		3,454,032
Retained earnings	13		<u>10,904,221</u>		<u>10,367,357</u>
Shareholders' funds			<u>15,522,188</u>		<u>14,854,671</u>

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 May 2022 and were signed on its behalf by:

I P Fitter ACA - Director

1. **Statutory information**

Harvington Properties Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating depreciation. A full line by line review of fixed assets is carried out by management regularly. Whilst every attempt is made to ensure that the depreciation policy is as accurate as possible, there remains a risk that the policy does not match the useful life of the assets.

There is estimation uncertainty in calculating deferred tax. A review of deferred tax is carried out by management regularly. Whilst every attempt is made to ensure that the deferred tax is as accurate as possible, there remains a risk that the provisions do not match the actual tax liability when asset is disposed of.

There is estimation uncertainty in calculating the market value of investment properties. A review of the value of investment properties is carried out by management regularly. Whilst every attempt is made to ensure that the value is as accurate as possible, there remains a risk that the value disclosed in the accounts does not match the actual market value at the balance sheet date.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of rent receivables is carried out at the Year End. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

There is estimation uncertainty in calculating stock provisions. A review of stock is carried out at the year end. Whilst every attempt is made to ensure that the stock provision is as accurate as possible, there remains a risk that the provision does not match the level of stock which ultimately prove to be obsolete.

2. Accounting policies - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% straight line basis
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Depreciation is not provided in respect of investment property. This policy represents a departure from the Companies Act 2006 which requires depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic depreciation.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase and redevelopment.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies - continued**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Rent receivable

Rent receivable represents rental income for the year from investment properties held on the company's balance sheet. Rent is recognised as it is accrued on a monthly basis, in line with rental agreements.

3. Employees and directors

The average number of employees during the period was 5 (2020 - 5) .

4. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost or valuation					
At 1 October 2020 and 31 August 2021	<u>775,000</u>	<u>21,253</u>	<u>50,950</u>	<u>4,530</u>	<u>851,733</u>
Depreciation					
At 1 October 2020	38,750	19,395	50,950	4,530	113,625
Charge for period	<u>7,750</u>	<u>279</u>	<u>-</u>	<u>-</u>	<u>8,029</u>
At 31 August 2021	<u>46,500</u>	<u>19,674</u>	<u>50,950</u>	<u>4,530</u>	<u>121,654</u>
Net book value					
At 31 August 2021	<u>728,500</u>	<u>1,579</u>	<u>-</u>	<u>-</u>	<u>730,079</u>
At 30 September 2020	<u>736,250</u>	<u>1,858</u>	<u>-</u>	<u>-</u>	<u>738,108</u>

Notes to the Financial Statements - continued
for the period 1 October 2020 to 31 August 2021

4. **Tangible fixed assets - continued**

Cost or valuation at 31 August 2021 is represented by:

	Freehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
Valuation in 2002	270,000	-	-	-	270,000
Valuation in 2004	31,781	-	-	-	31,781
Valuation in 2015	218,780	-	-	-	218,780
Cost	<u>254,439</u>	<u>21,253</u>	<u>50,950</u>	<u>4,530</u>	<u>331,172</u>
	<u>775,000</u>	<u>21,253</u>	<u>50,950</u>	<u>4,530</u>	<u>851,733</u>

If freehold property had not been revalued it would have been included at the following historical cost:

	2021	2020
	£	£
Cost	<u>254,439</u>	<u>254,439</u>
Aggregate depreciation	<u>78,864</u>	<u>76,320</u>

The freehold property was valued on an open market basis on 31 August 2021 by the directors .

5. **Investment property**

	Total
	£
Fair value	
At 1 October 2020 and 31 August 2021	<u>12,399,112</u>
Net book value	
At 31 August 2021	<u>12,399,112</u>
At 30 September 2020	<u>12,399,112</u>

Fair value at 31 August 2021 is represented by:

	£
Valuation in 2000	461,076
Valuation in 2003	541,614
Valuation in 2004	67,000
Valuation in 2006	1,922,755
Valuation in 2011	(2,002,248)
Valuation in 2012	1,414,000
Valuation in 2015	1,424,000
Valuation in 2016	51,384
Cost	<u>8,519,531</u>
	<u>12,399,112</u>

Notes to the Financial Statements - continued
for the period 1 October 2020 to 31 August 2021**5. Investment property - continued**

Investment property was valued on an open market basis on 31 August 2021 by the directors .

6. Stocks

	2021	2020
	£	£
Work in progress	<u>1,025,479</u>	<u>906,135</u>

7. Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	1,000	1,000
Other debtors	<u>153,473</u>	<u>112,630</u>
	<u>154,473</u>	<u>113,630</u>

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	116,139	220,792
Taxation and social security	213,611	1,397,900
Other creditors	<u>60,747</u>	<u>52,379</u>
	<u>390,497</u>	<u>1,671,071</u>

9. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	<u>1,208,927</u>	<u>2,474,212</u>

10. Secured debts

The following secured debts are included within creditors:

	2021	2020
	£	£
Other creditors	<u>1,203,738</u>	<u>2,465,724</u>

Other creditors are secured by a fixed and floating charge over the undertakings and all property of the company

11. Provisions for liabilities

	2021	2020
	£	£
Deferred tax	<u>560,518</u>	<u>425,767</u>

Notes to the Financial Statements - continued
for the period 1 October 2020 to 31 August 2021

11. Provisions for liabilities - continued

	Deferred tax £
Balance at 1 October 2020	425,767
Provided during period	<u>134,751</u>
Balance at 31 August 2021	<u>560,518</u>

12. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
2,400	Ordinary	£1	2,400	2,400
5,000	Ordinary 'A'	£1	5,000	5,000
5,000	Ordinary 'B'	£1	2,875	2,875
3,070	Ordinary 'C'	£1	<u>3,070</u>	<u>3,070</u>
			<u>13,345</u>	<u>13,345</u>

13. Reserves

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 October 2020	10,367,357	505,731	510,151
Profit for the period	667,517	-	-
Movement in Deferred Tax	(135,858)	-	-
Transfer of depreciation	5,205	-	(5,205)
At 31 August 2021	<u>10,904,221</u>	<u>505,731</u>	<u>504,946</u>

Notes to the Financial Statements - continued
for the period 1 October 2020 to 31 August 2021

13. Reserves - continued

	Capital redemption reserve £	Other reserves £	Totals £
At 1 October 2020	4,055	3,454,032	14,841,326
Profit for the period	-	-	667,517
Movement in Deferred Tax	-	135,858	-
At 31 August 2021	4,055	3,589,890	15,508,843

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments which are non-distributable.

Share premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations (net of deferred tax) of tangible fixed assets where a policy of revaluation has been adopted.

Capital redemption reserve

The capital redemption reserve represents the share capital which has been purchased back by the company.

Other reserves

The other reserves represent non distributable reserves which have arisen from profits and losses on the revaluation of investment properties (net of deferred tax).

14. Disclosure under Section 444(5B) of the Companies Act 2006

The Report of the Auditors was unqualified.

Hassan Behcet (Senior Statutory Auditor)
for and on behalf of Haines Watts

15. Related party disclosures

Secured debts (note 11) includes loans from the directors to the company amounting to £1,203,738 (2020: £2,465,723). Gross interest charged on the loans during the year amounts to £33,750 (2020: £33,750).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.