

Harris Ventures Limited

Report and Financial Statements

Year Ended

31 December 2015

Company Number 02278367

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Harris Ventures Limited

Report and financial statements for the year ended 31 December 2015

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Directors

Lord Harris of Peckham
Lady Harris DBE DL
Mr P J Saunders
Mr P Jacobs
The Hon. Mr C W Harris
The Hon. Mr M J Harris
Mr P A Harris

Secretary and registered office

Mr P Jacobs, Philip Harris House, 1A Spur Road, Orpington, Kent, BR6 0PH

Company number

02278367

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Harris Ventures Limited

Report of the directors for the year ended 31 December 2015

The directors present their report together with the audited financial statements for the year ended 31 December 2015.

Results and dividends

The statement of income and retained earnings is set out on page 5 and shows the loss for the year (2014 - loss). No dividends were paid in the year (2014 - £Nil), nor is one recommended by the directors (2014 - none).

Principal activities, review of business and future developments

The company's principal activity is the provision of consultancy and management services and of investment.

The performance and position of the company is in line with the directors expectations and no significant changes are expected in the short term.

Charitable and political donations

During the year the company did not make any charitable donations (2014 - £85) and did not make any political donations in either the current or previous year.

Financial instruments

The use of financial instruments, including financial risk management objectives and policies, exposure to interest rate risk and liquidity risk, are disclosed in note 15 to the financial statements.

Key performance indicators

As an investment company, the key indicators of performance are the movement in value of investments in property assets and shares.

Directors

The directors of the company during the year were:

Lord Harris of Peckham
Lady Harris DBE DL
Mr P J Saunders
Mr P Jacobs
The Hon. Mr C W Harris
The Hon. Mr M J Harris
Mr P A Harris (appointed 21 December 2015)

No director has any interest in the shares of any of the subsidiary companies.

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and exist at the date of this report.

Harris Ventures Limited

Report of the directors for the year ended 31 December 2015 (continued)

Directors' responsibilities

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 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;
- 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.

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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the Board



P Jacobs
Secretary

Date 29 September 2016

Harris Ventures Limited

Independent auditor's report

TO THE MEMBERS OF HARRIS VENTURES LIMITED

We have audited the financial statements of Harris Ventures Limited for the year ended 31 December 2015 which comprise the statement of income and retained earnings, balance sheet, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Harris Ventures Limited

Independent auditor's report *(continued)*

Matters on which we are required to report by exception

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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Anna Draper (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date 30/9/2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Harris Ventures Limited

Statement of income and retained earnings for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	659,518	858,499
Administrative expenses		(658,190)	(740,980)
Unrealised deficit on revaluation of investments		(50,000)	(850,000)
Impairment of inter-company receivable	5	(4,867)	(1,788,206)
Total administrative expenses		(713,057)	(3,379,186)
Operating (loss)	4	(53,539)	(2,520,687)
Loss on disposal of fixed assets		(2,766)	(281,359)
Loss on disposal of fixed asset investments		34,487	(10,807,741)
Share of operating profit in LLP		4,380	233
Other interest receivable and similar income		5,864	3,778
Interest payable and similar charges	7	(829,933)	(1,617,453)
Loss on ordinary activities before taxation		(841,507)	(15,223,229)
Taxation on loss on ordinary activities	8	-	-
Loss on ordinary activities after taxation		(841,507)	(15,223,229)
Other Comprehensive income		-	-
Total comprehensive expense for the year		(841,507)	(15,223,229)
Retained earnings			
At 1 January		(43,906,870)	(28,683,641)
Dividends		-	-
At 31 December		(44,748,377)	(43,906,870)

All amounts relate to continuing activities.

The notes on pages 8 to 19 form part of these financial statements.

Harris Ventures Limited

Balance sheet at 31 December 2015

Company number 02278367	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	9		6,455,298		6,490,941
Fixed asset investments	10		989,304		103
Investment in LLP			-		14,488
			<hr/>		<hr/>
			7,444,602		6,505,532
Current assets					
Debtors	11	386,738		2,109,471	
Investments	12	134,060		134,060	
Cash at bank and in hand		2,100,753		2,346,634	
		<hr/>		<hr/>	
		2,621,551		4,590,165	
Creditors: amounts falling due within one year	13	21,399,717		21,587,754	
		<hr/>		<hr/>	
Net current liabilities			(18,778,166)		(16,997,589)
Total assets less current liabilities			<hr/> (11,333,564) <hr/>		<hr/> (10,492,057) <hr/>
Net liabilities			<hr/> (11,333,564) <hr/>		<hr/> (10,492,057) <hr/>
Capital and reserves					
Called up share capital	15		140		140
Capital redemption reserve			47		47
Share premium account			31,152,814		31,152,814
Revaluation reserve			2,261,812		2,261,812
Profit and loss account			(44,748,377)		(43,906,870)
			<hr/>		<hr/>
Shareholders' deficit			<hr/> (11,333,564) <hr/>		<hr/> (10,492,057) <hr/>

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 September 2016.


P J Saunders
Director

The notes on pages 8 to 19 form part of these financial statements.

Harris Ventures Limited

Statement of cash flows for the year ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Loss for the financial year		(841,507)	(15,223,229)
Adjustments for:			
Depreciation and amortisation of fixed assets	9	8,890	40,711
Loss on disposal	9	(36,101)	11,088,867
Revaluation of investments		50,000	850,000
Net interest payable		824,069	1,613,675
Taxation expense		-	-
Decrease in trade and other debtors	11	1,722,733	4,243,167
Decrease in trade creditors	13	(188,037)	(3,187,305)
Cash from operations		1,540,047	(574,114)
Interest paid		(829,933)	(1,617,453)
Net cash generated from/(used in) operating activities		710,114	(2,191,567)
Cash flows from investing activities			
Proceeds from sale of investments		303,589	26,663,009
Purchases of tangible fixed assets and fixed asset investments		(1,265,448)	(88,533)
Interest received		5,864	3,778
Net cash (used in)/generated from investing activities		(955,995)	26,578,254
Cash flows from financing activities			
Repayment of bank loan		-	(25,150,000)
Net cash used in financing activities		-	(25,150,000)
Net (decrease) in cash and cash equivalents		(245,881)	(763,313)
Cash and cash equivalents at beginning of year		2,346,634	3,109,947
Cash and cash equivalents at end of year		2,100,753	2,346,634
Cash and cash equivalents comprise:			
Cash at bank and in hand		2,100,753	2,346,634

The notes on pages 8 to 19 form part of these financial statements.

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2015

1 Accounting policies

Harris Ventures Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

These financial statements are the first financial statements prepared under FRS 102 and information on the impact of first-time adoption of FRS 102 is given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in applying the Group's accounting policies which have been detailed in note 2.

The following principal accounting policies have been applied:

Basis of preparation

At 31 December 2015 the Company had net liabilities in excess of £11m (2014 - net liabilities in excess of £10m). The financial statements have been prepared on a going concern basis as they have indication of continuing support from the directors. Loans from the directors account for £18m of the total liabilities of the company of £21m; unchanged from the prior year.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Turnover

Turnover represents management and consultancy fees, rental income receivable, service charges and other recoveries from investment properties in the United Kingdom.

Turnover for management and consultancy services represents sales to outside customers at invoiced amounts less value added tax or local taxes on sales.

Lessor incentives

Incentive payments to new tenants to occupy the Company's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are charged to the income statement over the life of the lease.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates.

Leasehold

improvements	- 20% per annum straight line
Office equipment	- 15% per annum on a reducing balance basis

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

Investment properties

In accordance with Section 16 of FRS 102, investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is recognised in the income statement.

Valuation of investments

Listed investments held as fixed assets are stated at market value. Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the income statement. Investments held as current assets are stated at the lower of cost and net realisable value.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the income statement in the year in which they become payable.

Joint arrangements and Joint ventures

The company has entered into commercial arrangements with other investors resulting in property interests being held indirectly through jointly controlled legal entities. These legal entities do not carry on trades of their own, rather are just a means by which the investors hold an interest in property assets. In accordance with Section 15 of FRS 102, and in order to reflect their true economic substance, the company accounts directly for its own share of the assets, liabilities and cash flows of these joint arrangements.

An entity is treated as a joint venture where the Company holds a long-term interest and shares control under a contractual arrangement.

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

Foreign currency translations

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in the Sterling, which is the company's functional and presentation currency

(b) Transactions and balances

Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at operating (loss)/profit.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 9)*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations were:

- Annual rent per square metre: £10.25 to £12.19, with a weighted average of £10.81
- Capitalisation rate: 7% - 8%, with a weighted average of 7%.

- *Fixed asset investments (see note 10)*

Listed investments are valued at the quoted bid price at the reporting date. Unquoted investments are valued using a price/earnings multiple methodology. The relevant price/earnings multiple is determined by reference to those applying to quoted companies in similar industries after adjustment for the reduced liquidity of unquoted companies. This multiple is then applied to the earnings of the investee company in the period, after adjustments for one-off unusual income or expenditure in the period.

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

3 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

4 Operating loss

	2015 £	2014 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	8,890	40,711
Auditors' remuneration:		
- Audit services	15,500	15,500
- Non audit services	11,695	11,695
Deficit on revaluation of investment properties	50,000	850,000
Foreign exchange (gain)	(309)	(242)
Loss on disposal of fixed assets	2,768	-
	<u> </u>	<u> </u>

5 Exceptional items

	2015 £	2014 £
Impairment of inter-company receivable	(4,867)	(1,788,206)
	<u> </u>	<u> </u>

Following an impairment review in the prior year, inter-company balances were written down to their recoverable amount resulting in an exceptional impairment expense. The current year balance was a reversal of these previously impaired amounts, plus a further impairment on another associated balance.

6 Directors' remuneration

	2015 £	2014 £
Directors' remuneration consists of:		
Directors' emoluments	217,390	259,465
Company contributions to money purchase pension schemes	47,009	46,833
	<u> </u>	<u> </u>
	264,399	306,298
	<u> </u>	<u> </u>

There were two directors in the Company's defined contribution pension scheme (2014 - two).

The total amount payable to the highest paid director in respect of emoluments was £122,534 (2014 - £135,535). The total amount payable to non-executive directors in respect of fees was £Nil (2014 - £Nil).

7 Interest payable and similar charges

	2015 £	2014 £
Bank loans and overdrafts	730,253	1,518,132
Other loans	99,680	99,321
	<u> </u>	<u> </u>
	829,933	1,617,453
	<u> </u>	<u> </u>

Harris Ventures Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

8 Taxation on profit on ordinary activities

	2015 £	2014 £
<i>UK corporation tax</i>		
Movement in period	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred tax</i>		
Movement in period in relation to prior periods	-	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	-
	<hr/>	<hr/>

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(851,507)	(15,223,229)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	(172,430)	(3,271,499)
Effects of:		
Expenses not deductible for tax purposes	12,720	2,966,340
Deferred tax not recognised	91,981	233,774
Group relief surrendered	67,729	71,385
	<hr/>	<hr/>
Current tax credit for the year	-	-
	<hr/>	<hr/>

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. The Company has a deferred tax asset of £4,011,314 (2014 - £4,363,943) which has not been recognised in these financial statements due to uncertainty over utilisation of this benefit.

Harris Ventures Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

9 Tangible fixed assets

	Leasehold land and buildings £	Office equipment £	Investment properties £	Total £
<i>Cost or valuation</i>				
At 1 January 2015	-	96,165	6,463,331	6,559,496
Additions	25,224	791	-	26,015
Disposals	-	(24,290)	-	(24,290)
Revaluation	-	-	(50,000)	(50,000)
At 31 December 2015	25,224	72,666	6,413,331	6,511,221
<i>Depreciation</i>				
At 1 January 2015	-	68,555	-	68,555
Provision for year	5,045	3,845	-	8,890
Disposals	-	(21,522)	-	(21,522)
At 31 December 2015	5,045	50,878	-	55,923
<i>Net book value</i>				
At 31 December 2015	20,179	21,788	6,413,331	6,455,298
At 31 December 2014	-	27,610	6,463,331	6,490,941

The historical cost of investment properties is:

	2015 £	2014 £
Cost	5,051,519	5,051,519

Investment properties with a year-end valuation of £6,413,331 (2014 - £6,463,331) were revalued by directors on an open market basis. All other investment properties are stated at cost which, in the opinion of the directors, is not significantly different to their open market values. No depreciation is provided in respect of these properties.

If the company's revalued investment properties were sold at their estimated market value, a corporation tax liability, based on the rate of 20% (2014 - 20%), of £Nil (2014 - £61,870) would crystallise.

None of the tangible fixed assets for the company are held under finance leases or hire purchase contracts.

Harris Ventures Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

10 Fixed asset investments

	Investment in subsidiary undertakings £	Joint ventures £	Listed investments £	Total £
<i>Cost or valuation</i>				
At 1 January 2015	10,000,003	102	-	10,000,105
Additions	-	-	1,239,433	1,239,433
Disposals	-	-	(250,232)	(250,232)
At 31 December 2015	10,000,003	102	989,201	10,989,306
<i>Impairment</i>				
At 1 January 2015	(10,000,002)	-	-	(10,000,002)
At 31 December 2015	(10,000,002)	-	-	(10,000,002)
<i>Net book value</i>				
At 31 December 2015	1	102	989,201	989,304
At 31 December 2014	1	102	-	103

Subsidiary undertakings, associated undertakings and other investments

The undertakings in which the company held an interest in at the year end are as follows:

	Class of share capital held	Proportion of share held	Nature of business
<i>Subsidiary undertakings</i>			
HVL 1 Limited	Ordinary	100%	Investment holding company
HVL 2 Limited*	Ordinary	100%	Investment holding company
HVL 3 Limited*	Ordinary	100%	Investment holding company
HVL Properties Limited*	Ordinary	100%	Investment holding company
HVL Worthing Limited	Ordinary	100%	Member of an LLP owning income producing properties in the UK
HVL Edinburgh Limited	Ordinary	100%	Member of an LLP owning income producing properties in the UK

Harris Ventures Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (continued)

10 Fixed asset investments (continued)

	Class of share capital held	Proportion of share held	Nature of business
Joint ventures			
Islandview Properties Limited	Ordinary	50%	Management of income producing properties in the UK
Richminster Properties Limited	Ordinary	50%	Management of income producing properties in the UK
Clacton Property Investments Limited	Ordinary	50%	Management of income producing properties in the UK
Greenock Retail Limited	Ordinary	50%	Management of income producing properties in the UK
GR (Greenock) Limited*	Ordinary	50%	Management of income producing properties in the UK
GR (Greenock) 1 Limited*	Ordinary	50%	Management of income producing properties in the UK
GR (Greenock) 2 Limited*	Ordinary	50%	Management of income producing properties in the UK
Wick Property Investments Limited	Ordinary	50%	Management of income producing properties in the UK
Hull Retail Limited	Ordinary	50%	Management of income producing properties in the UK
Edinburgh Retail LLP*		50%	Management of income producing properties in the UK
Worthing Retail LLP*		50%	Management of income producing properties in the UK

* held indirectly

All investments are registered in England & Wales.

The following figures have been extracted from audited financial statements for the year ended 31 December 2015 (or otherwise stated).

	Aggregate share capital and reserves		Profit for the year	
	2015 £	2014 £	2015 £	2014 £
Joint ventures				
Islandview Properties Limited*	2,388	4,164	(1,776)	(1,574)
Richminster Properties Limited**	(4,472,794)	(4,470,992)	(1,802)	(1,525)
Greenock Retail Limited**	(16,673,426)	(16,655,730)	(17,696)	(22,776,716)
Wick Property Investments Limited	(4,779,149)	(4,777,379)	(1,770)	(1,500)
Clacton Property Investments Limited**	(5,923,811)	(5,922,041)	(1,770)	(1,500)
Subsidiaries				
HVL Properties Limited	(4,258,545)	(4,259,169)	(1,118)	(1,455,953)
HVL Worthing Limited	(2,870,725)	(3,044,683)	173,958	214,082
HVL Lewisham Limited	-	(2,195,238)	-	-
HVL Edinburgh Limited	(5,368,884)	(5,514,112)	145,288	190,581
HVL 1 Limited	-	-	-	-
HVL 2 Limited	-	-	-	-
HVL 3 Limited	(10,936,640)	(10,936,640)	-	7

* This company has a year end date of 28 February

** These companies have year end dates of 31 March

Harris Ventures Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

11 Debtors

	2015 £	2014 £
Trade debtors	7,788	6,250
Amounts owed by joint ventures and associated undertakings	-	919,201
Prepayments and accrued income	322,000	322,000
Other debtors	56,950	862,020
	<u>386,738</u>	<u>2,109,471</u>

12 Current asset investments

	2015 £	2014 £
Unlisted investments	134,060	134,060
	<u>134,060</u>	<u>134,060</u>

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Other loans	3,000,000	3,000,000
Trade creditors	12,537	13,295
Amounts owed to associated undertakings	37,479	37,479
Other taxation and social security	64,279	57,987
Other creditors	17,949,667	18,092,681
Accruals and deferred income	335,755	386,312
	<u>21,399,717</u>	<u>21,587,754</u>

All creditors are unsecured.

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

14 Financial Instruments

The company enters into derivative transactions, principally interest rate swaps. The purpose of such transactions is to manage the interest rate risk arising from the company's operations and its sources of finance. The company's policy is not to trade in financial instruments and this has been in place throughout the year under review. The main risks arising from the company's financial instruments are interest rate and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company borrows in the desired currencies at both fixed and floating rates of interest and then uses interest rate swaps to generate the desired interest profile and to manage the company's exposure to interest rate fluctuations.

Liquidity risk

All of the company's debt is due for repayment in less than one year.

Financial assets

Floating rate cash deposits of £2,100,753 (2014 - £2,346,634) comprise sterling cash deposits.

Financial liabilities

The maturity profile of the company's net financial liabilities was as follows:

	2015 £	2014 £
In one year or less, or on demand	3,000,000	3,000,000

Fair values of financial assets and financial liabilities

Set out below is a comparison by category of book values and fair values of the company's financial assets and liabilities. Where available, market rates have been used to determine current values.

	Book Value 2015 £	Current value 2015 £	Book value 2014 £	Current value 2014 £
Short term financial liabilities	3,000,000	3,000,000	3,000,000	3,000,000
Cash	2,100,753	2,100,753	2,346,634	2,346,634
Fixed asset investments	989,201	902,121	-	-
Current asset investments	134,060	134,060	134,060	134,060

The Company enters into derivative contracts to manage the interest rate and currency risks arising from those operations and its sources of finance.

In addition, various financial instruments such as trade debtors and trade creditors arise directly from the Company's operations.

Operations are financed by a mixture of retained profits, bank borrowings and long term loans. Long term loans are at fixed rates and are used to finance capital investment. Working capital requirements are met principally out of floating rate cash deposits and retained profits.

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

15 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
14,036 ordinary shares of 1p each	140	140

16 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £51,321 (2014 - £49,386). There were no contributions outstanding at either year end.

17 Commitments under operating leases

The company had no commitments under non-cancellable operating leases at either the year end or the previous year end.

18 Related party transactions

	Due from Related parties at 31 December 2015 £	Amount provided against at 31 December 2015 £	Due from related parties at 31 December 2014 £	Amount provided against at 31 December 2014 £
Islandview Properties Limited	(37,479)	-	(37,479)	-
Richminster Properties Limited	2,236,169	(2,236,169)	2,235,169	(2,233,669)
Greenock Retail Limited	404,732	(404,732)	365,132	(365,132)
HVL Properties Limited	4,268,718	(4,268,718)	5,179,760	(4,262,170)
HVL Edinburgh Limited	2,106,022	(2,106,022)	2,171,022	(2,171,022)
HVL 3 Limited	10,936,640	(10,936,640)	10,936,642	(10,936,642)
HVL Worthing Limited	604,054	(604,054)	729,054	(729,054)
HVL Lewisham Limited	-	-	2,195,238	(2,195,238)
Wick Property Investments Limited	2,393,041	(2,393,041)	2,393,041	(2,393,041)
Clacton Property Investments Limited	2,969,000	(2,296,000)	2,969,000	(2,969,000)
Glenrothes Retail LLP	-	-	1,126,406	(1,126,406)
HVL 4 Limited	26,837,229	(26,837,229)	26,837,229	(26,838,229)

No interest was paid or received by related parties. All balances due stated above are loan balances as there is no trading between the company and the joint venture companies.

During the previous year, rent and fees of £62,500 were received from Carpetright plc, a company in which Lord Harris of Peckham and The Hon. Mr M J Harris were directors and in which they held material interests.

Rent of £59,507 (2014 Nil) was paid to Martin James Harris for the lease of a property on normal commercial terms. Included within other creditors were amounts due to directors of £17,949,667 (2014 - £18,092,681).

During the year, an amount of £6,548 (2014 - £ Nil) was provided against in relation to the receivable due to the Company from HVL Properties Limited. During the year, an amount of £nil (2014 - £1,126,406) was provided against in relation to the receivable due to the Company from Glenrothes Retail LLP. Key management personnel include directors and key employees, who together have authority and responsibility for planning, controlling and directing the activities of the company. Total compensation paid to key management personnel for services provided was £264,399 (2014 - £306,298).

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

19 Control

The ultimate controlling party is considered to be Lord Harris of Peckham.

20 First time adoption of FRS 102

	Equity as at 1 January 2014 £'000	Loss for the year ended 31 December 2014 £'000	Revaluation for the year 31 December 2014 £'000	Equity as at 31 December 2014 £'000
As previously stated under former UK GAAP	4,731,172	(14,373,229)	(850,000)	(10,492,057)
As restated under former UK GAAP				
Transitional adjustments				
Presentation of gains and losses on revaluation of investment property in profit or loss	-	(850,000)	850,000	-
As stated in accordance with FRS 102	4,731,172	(15,223,229)	-	(10,492,057)

Explanation of changes to previously reported profit and equity

- FRS 102 requires that changes in the fair value of investments properties be recognised in profit or loss for the period. Under previous UK GAAP these changes were recognised outside of profit or loss and presented separately in a revaluation reserve. This change has increased reported profit for the year ended 31 December 2014 but has not affected the measurement of investment property on the balance sheet.