

Harris Ventures Limited

Report and Financial Statements

Year Ended

31 December 2018

Company Number 02278367

THURSDAY



LD3

L8DDWVAQ

05/09/2019

#39

COMPANIES HOUSE

Harris Ventures Limited

Report and financial statements for the year ended 31 December 2018

Contents

Page:

1	Directors' report
3	Directors' responsibilities statement
4	Independent auditor's report
7	Statement of income and retained earnings
8	Balance sheet
9	Statement of cash flows
10	Notes forming part of the financial statements

Directors

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

Secretary and registered office

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

Company number

02278367

Auditor

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

Harris Ventures Limited

Directors' report for the year ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Results and dividends

The statement of income and retained earnings is set out on page 7 and shows the loss for the year (2017 - loss). No dividends were paid in the year (2017 - £Nil), nor is one recommended by the directors (2017 – 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 or political donations (2017 - £Nil).

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 Jacobs
The Hon. Mr M J Harris
The Hon. Mr P A Harris
The Hon. Mr C W Harris (resigned 22 February 2018).

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

Directors' report for the year ended 31 December 2018 *(continued)*

Auditor

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 auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is 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

4 September 2019

Harris Ventures Limited

Directors' responsibilities statement for the year ended 31 December 2018

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; and
- 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.

Harris Ventures Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF HARRIS VENTURES LIMITED

Opinion

We have audited the financial statements of Harris Ventures Limited ("the Company") for the year ended 31 December 2018 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 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 2018 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.

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.

Harris Ventures Limited

Independent auditor's report (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the 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 the 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.

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 in relation to which 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 take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Harris Ventures Limited

Independent auditor's report (continued)

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 at the Financial Reporting Council's website at:

<https://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.

BDO LLP

Anna Draper (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

4 September 2019

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 2018

	Note	2018 £	2017 £
Turnover	3	274,624	252,911
Administrative expenses		(444,388)	(484,628)
Impairment of inter-company receivable	5	(291,817)	(270,645)
Total administrative expenses		(736,205)	(755,273)
Operating loss	4	(461,581)	(502,362)
Interest receivable and similar income		211	97
Interest payable and similar charges	7	(63,203)	(56,693)
Loss on ordinary activities before taxation		(524,573)	(558,958)
Taxation on loss on ordinary activities	8	-	-
Loss on ordinary activities after taxation		(524,573)	(558,958)
Other comprehensive income		-	-
Total comprehensive expense for the year		(524,573)	(558,958)
Retained earnings			
At 1 January		(49,899,235)	(49,340,277)
Dividends		-	-
At 31 December		(50,423,808)	(49,899,235)

All amounts relate to continuing activities.

The notes on pages 10 to 21 form part of these financial statements.

Harris Ventures Limited

Balance sheet at 31 December 2018

Company number 02278367	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	9		1,183,525		1,191,243
Fixed asset investments	10		103		103
			<u>1,183,628</u>		<u>1,191,346</u>
Current assets					
Debtors	11	57,942		42,140	
Investments	12	133,260		133,260	
Cash at bank and in hand		87,043		200,714	
		<u>278,245</u>		<u>376,114</u>	
Creditors: amounts falling due within one year	13	20,732,680		20,313,694	
		<u></u>		<u></u>	
Net current liabilities			(20,454,435)		(19,937,580)
Total assets less current liabilities			(19,270,807)		(18,746,234)
			<u></u>		<u></u>
Net liabilities			(19,270,807)		(18,746,234)
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	15		140		140
Capital redemption reserve			47		47
Share premium account			31,152,814		31,152,814
Profit and loss account			(50,423,808)		(49,899,235)
			<u></u>		<u></u>
Shareholders' deficit			(19,270,807)		(18,746,234)
			<u></u>		<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 4 September 2019.


P Jacobs
Director

The notes on pages 10 to 21 form part of these financial statements.

Harris Ventures Limited

Statement of cash flows for the year ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Loss for the financial year		(524,573)	(558,958)
Adjustments for:			
Depreciation of fixed assets	9	7,718	8,190
Net interest payable		62,992	56,596
Increase in trade and other debtors	11	(15,802)	(24,635)
Increase in trade creditors		418,986	333,101
		<hr/>	<hr/>
Cash from operations		(50,679)	(185,706)
Interest paid		(63,203)	(56,693)
		<hr/>	<hr/>
Net cash used in operating activities		(113,882)	(242,399)
		<hr/>	<hr/>
Cash flows from investing activities			
Proceeds from sale of investments and fixed assets		-	800
Purchases of tangible fixed assets and fixed asset investments		-	(2,448)
Interest received		211	97
		<hr/>	<hr/>
Net cash used in investing activities		211	(1,551)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(113,671)	(243,950)
Cash and cash equivalents at beginning of year		200,714	444,664
		<hr/>	<hr/>
Cash and cash equivalents at end of year		87,043	200,714
		<hr/>	<hr/>
Cash and cash equivalents comprise:			
Cash at bank and in hand		87,043	200,714
		<hr/>	<hr/>

The notes on pages 10 to 21 form part of these financial statements.

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

Harris Ventures Limited is a private company limited by shares, 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 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 Company's accounting policies which have been detailed in note 2.

The following principal accounting policies have been applied:

Basis of preparation

At 31 December 2018 the Company had net liabilities in excess of £19m (2017 - net liabilities in excess of £18m). The financial statements have been prepared on a going concern basis as the shareholders have confirmed that they will not withdraw the existing financial support to the Company for at least a year from the date of approval of these financial statements. Loans from the shareholders (some of who are directors) account for £18.6m of the total liabilities of the company of £20.7m.

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 2018 (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

Investments in unlisted company shares, which have been classified as fixed asset investments as the Company 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 2018 (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.

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: £4.47 to £14.66, with a weighted average of £12.31
- Capitalisation rate: 8%

- *Fixed asset investments (see note 10)*

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 2018 (continued)

3 Turnover

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

4 Operating loss

	2018 £	2017 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	7,718	8,190
Auditor's remuneration:		
- Audit services	16,545	16,830
- Taxation services	10,012	10,190
Foreign exchange (gain)/loss	(718)	979
Operating lease expense	60,000	60,000

The average number of employees during the year was 5 (2017 - 5).

5 Exceptional items

	2018 £	2017 £
Impairment of associated undertakings balances	(291,817)	(270,645)

Following an impairment review in the prior year, associated undertakings balances were written down to their recoverable amount resulting in an exceptional impairment expense. In the current year there is a further impairment on these balances.

6 Directors' remuneration

	2018 £	2017 £
Directors' remuneration consists of:		
Directors' emoluments	72,795	117,594
Company contributions to money purchase pension schemes	18,979	30,726
	91,774	148,320

There was one director in the Company's defined contribution pension scheme (2017 - two).

The total amount payable to the highest paid director in respect of emoluments was £72,795 (2017 - £81,627).
The total amount payable to non-executive directors in respect of fees was £Nil (2017 - £Nil).

Harris Ventures Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

7 Interest payable and similar charges

	2018 £	2017 £
Bank loans and overdrafts	63,203	56,693
Other loans	-	-
	<u>63,203</u>	<u>56,693</u>

8 Taxation on profit on ordinary activities

	2018 £	2017 £
<i>UK corporation tax</i>		
Movement in period	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	-
<i>Deferred tax</i>		
Movement in period in relation to prior periods	-	-
	<u>-</u>	<u>-</u>
Total deferred tax	-	-
	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	-	-
	<u>-</u>	<u>-</u>

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

	2018 £	2017 £
Loss on ordinary activities before tax	(524,573)	(558,958)
	<u>(524,573)</u>	<u>(558,958)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(99,669)	(107,599)
Effects of:		
Expenses not deductible for tax purposes	55,645	53,591
Deferred tax not recognised	(424)	10,218
Group relief surrendered	44,497	43,790
Effects of changes in tax rates	(49)	-
	<u>55,645</u>	<u>107,599</u>
Current tax credit for the year	-	-
	<u>-</u>	<u>-</u>

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 £4,720,194 (2017 - £4,730,747) 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 2018 (continued)

9 Tangible fixed assets

	Leasehold land and buildings £	Office equipment £	Investment properties £	Total £
<i>Cost or valuation</i>				
At 1 January 2018	25,224	75,114	1,163,331	1,263,669
At 31 December 2018	25,224	75,114	1,163,331	1,263,669
<i>Depreciation</i>				
At 1 January 2018	15,135	57,291	-	72,426
Provision for year	5,045	2,673	-	7,718
At 31 December 2018	20,180	59,964	-	80,144
<i>Net book value</i>				
At 31 December 2018	5,044	15,150	1,163,331	1,183,525
At 31 December 2017	10,089	17,823	1,163,331	1,191,243

The historical cost of investment properties is:

	2018 £	2017 £
Cost	972,242	972,242

Investment properties with a year-end valuation of £1,163,331 (2017 - £1,163,331) were revalued by directors on an open market basis. 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 19% (2017 - 19.25%), of £Nil (2017 - £Nil) 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 2018 (continued)

10 Fixed asset investments

	Investment in subsidiary undertakings £	Joint ventures £	Total £
<i>Cost or valuation</i>			
At 1 January 2018	10,000,003	102	10,000,105
At 31 December 2018	10,000,003	102	10,000,105
<i>Impairment</i>			
At 1 January 2018	(10,000,002)	-	(10,000,002)
At 31 December 2018	(10,000,002)	-	(10,000,002)
<i>Net book value</i>			
At 31 December 2018	1	102	103
At 31 December 2017	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%	Dormant
HVL 2 Limited*	Ordinary	100%	Dormant
HVL 3 Limited*	Ordinary	100%	Dormant
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 2018 (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
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

** The registered address of these entities is Gallagher House, Gallagher Business Park, Gallagher Way, Heathcote, Warwick, England, CV34 6AF.

All other entities are registered at the address listed on the contents. All investments are registered in England & Wales.

The following figures have been extracted from the financial statements for the year ended 31 December 2018 (or otherwise stated).

	Aggregate share capital and reserves		(Loss)/profit for the year	
	2018	2017	2018	2017
	£	£	£	£
Joint ventures				
Islandview Properties Limited*	(1,330)	(1,260)	(70)	(1,939)
Richminster Properties Limited**	(4,478,211)	(4,476,344)	(1,867)	(1,831)
Wick Property Investments Limited	(4,784,482)	(4,782,647)	(1,835)	(1,854)
Clacton Property Investments Limited**	(5,929,153)	(5,927,309)	(1,844)	(1,804)
Subsidiaries				
HVL Properties Limited	(4,267,295)	(4,265,260)	(2,035)	341
HVL Worthing Limited	(2,672,601)	(2,926,718)	254,117	(260,135)
HVL Edinburgh Limited	(5,676,874)	(5,281,418)	(351,775)	(69,197)

* 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 2018 (continued)

11 Debtors

	2018 £	2017 £
Trade debtors	30,800	29,267
Prepayments and accrued income	13,418	-
Other debtors	13,724	12,873
	<u>57,942</u>	<u>42,140</u>

12 Current asset investments

	2018 £	2017 £
Unlisted investments	<u>133,260</u>	<u>133,260</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans (secured)	2,000,000	2,000,000
Trade creditors	31,837	19,419
Amounts owed to associated undertakings	37,479	37,479
Other taxation and social security	12,025	14,247
Other creditors	18,598,490	18,189,727
Accruals and deferred income	52,849	52,822
	<u>20,732,680</u>	<u>20,313,694</u>

The Bank loan is secured against the company's investment property, that has a carrying value of £1,163,331 (2017: £1,163,331). The loan is subject to interest at a rate of LIBOR + 2.5%.

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

14 Financial Instruments

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 bank and other borrowings. The Company borrows in the desired currencies at fixed rates to manage the company's exposure to interest rate fluctuations.

Liquidity risk

The Company's bank debt was due for repayment on 31 December 2018 and subsequent to the year end terms have been agreed to put in place a new repayment profile.

The company's financial instruments may be analysed as follows:

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	133,260	133,260
Financial assets that are debt instruments measured at amortised cost	131,567	242,854
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	20,720,655	20,299,447
	<hr/>	<hr/>

Financial assets measured at fair value through profit or loss comprise current asset investments.

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to associated undertakings, other creditors and accruals.

Harris Ventures Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

15 Share capital

	2018 £	2017 £
<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 £24,280 (2017 - £35,431). There were no contributions outstanding at either year end.

17 Commitments under operating leases

The Company had minimum lease payments under non-cancellable operating leases as set out below:

	2018 Land and buildings £	2017 Land and buildings £
Not later than 1 year	57,500	60,000
Later than 1 year and not later than 5 years	-	57,500
Total	57,500	117,500

Harris Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

18 Related party transactions

	Due from/(to) related parties at 31 December 2018 £	Amount provided against at 31 December 2018 £	Due from/(to) related parties at 31 December 2017 £	Amount provided against at 31 December 2017 £
Islandview Properties Limited	(37,479)	-	(37,479)	-
Richminster Properties Limited	2,238,669	(2,238,669)	2,237,169	(2,237,169)
HVL Properties Limited	4,267,358	(4,267,358)	4,268,968	(4,268,968)
HVL Edinburgh Limited	2,651,199	(2,651,199)	2,507,772	(2,507,772)
HVL 3 Limited	10,936,640	(10,936,640)	10,936,640	(10,936,640)
HVL Worthing Limited	1,065,804	(1,065,804)	917,304	(917,304)
Wick Property Investments Limited	2,393,041	(2,393,041)	2,393,041	(2,393,041)
Clacton Property Investments Limited	2,969,000	(2,969,000)	2,969,000	(2,969,000)
HVL 4 Limited*	26,837,229	(26,837,229)	26,837,229	(26,837,229)

*HVL 4 Limited is not a subsidiary or joint venture however is a related entity due to Lord Harris and Paul Jacobs being directors and Charles Harris, Martin Harris, Lord Harris and Peter Harris being shareholders.

No interest was paid or received by the related parties stated above. All balances stated above are loan balances as there is no trading between the company and the joint venture or subsidiary companies. No interest was paid or received by the related parties. During the year, an amount of £291,817 (2017 - £270,645) was provided against the receivable balance due to the Company from various joint venture and subsidiary companies.

Rent of £60,000 (2017 - £60,000) was paid to Martin James Harris (director) for the lease of a property on normal commercial terms.

Rent of £58,750 (2017 - £50,000) and management services of £75,000 (2017 - £37,500) were received from Tapi Carpets & Floors Limited a company in which Martin Harris, Charles Harris, Peter Harris, Phil Saunders and Paul Jacobs are directors and shareholders and Lord Harris is a shareholder. The balance due from Tapi Carpets & Floors Limited at 31 December 2018 was £21,500 (2017 - £20,000).

Included within other creditors were amounts due to directors of £18,572,285 (2017 - £18,168,426). Amounts due to directors are unsecured, interest free with no fixed terms of repayment.

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 £91,774 (2017 - £148,320).

19 Control

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

20 Post Balance sheet events

After the year end the Company sold the investment property with a year-end valuation of £1,163,331 for £1,180,969.