

## **HVL Worthing Limited**

**Report and Financial Statements**

**Year Ended**

**31 December 2018**

**Company Number 05439684**

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# HVL Worthing Limited

## Report and financial statements for the year ended 31 December 2018

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#### Director

Mr P Jacobs

#### Secretary and registered office

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

#### Company number

05439684

#### Auditor

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

# HVL Worthing Limited

## Director's report for the year ended 31 December 2018

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The director presents his report together with the audited financial statements for the year ended 31 December 2018.

### Results and dividends

The income statement is set out on page 6 and shows the profit for the year (2017 - loss). No dividends were paid in the year (2017 - £Nil) and the director does not recommend the payment of a final dividend (2017 - £Nil).

### Principal activities, review of business and future developments

The company's principal activity is the provision of consultancy and management services and of investment, which the director does not believe will change in the near future.

### Key performance indicators

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

### Director

The director of the company during the year was:

Mr P Jacobs

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 director which were made during the year and exist at the date of this report.


### Auditor

The current director has 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 director is 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 director's report, advantage has been taken of the small companies' exemption.

### By order of the Board



P Jacobs  
Secretary

4 September 2019

# **HVL Worthing Limited**

## **Director's responsibilities statement for the year ended 31 December 2018**

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The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# HVL Worthing Limited

## Independent auditor's report

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF HVL WORTHING LIMITED

#### Opinion

We have audited the financial statements of HVL Worthing 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has 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.

# HVL Worthing Limited

## Independent auditor's report (continued)

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### Other information

The Director is 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's 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 Director's 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Director was not entitled to take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

# HVL Worthing Limited

## Independent auditor's report (*continued*)

### **Responsibilities of Directors**

As explained more fully in the Director's responsibilities statement, the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or has 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).

# HVL Worthing Limited

## Statement of income and retained earnings for the year ended 31 December 2018

	Note	2018 £	2017 £
Share of profit in associated undertaking excluding revaluation of investment property		274,332	228,114
Share of revaluation of investment property		(11,677)	(488,249)
<b>Operating profit/(loss) and profit/(loss) on ordinary activities before taxation</b>	3	<b>262,655</b>	<b>(260,135)</b>
Taxation on profit/(loss) on ordinary activities		(8,538)	-
<b>Profit/(loss) for the financial year</b>		<b>254,117</b>	<b>(260,135)</b>
<b>Retained earnings</b>			
At 1 January		394,731	654,866
At 31 December		648,848	394,731

All amounts relate to continuing activities.

The notes on pages 9 and 12 form part of these financial statements.



# HVL Worthing Limited

## Balance sheet at 31 December 2018

<b>Company number 05439684</b>	<b>Note</b>	<b>2018 £</b>	<b>2018 £</b>	<b>2017 £</b>	<b>2017 £</b>
<b>Creditors: amounts falling due within one year</b>					
<b>Provisions</b>	6	<b>1,074,342</b>		917,304	
	5	<b>1,598,259</b>		<b>2,009,414</b>	
<b>Net current liabilities</b>			<b>(2,672,601)</b>		<b>(2,926,718)</b>
<b>Net liabilities</b>			<b>(2,672,601)</b>		<b>(2,926,718)</b>
<b>Capital and reserves</b>					
Called up share capital	7		<b>1</b>		<b>1</b>
Revaluation reserve			<b>(3,321,450)</b>		<b>(3,321,450)</b>
Profit and loss account			<b>648,848</b>		<b>394,731</b>
<b>Shareholder's deficit</b>			<b>(2,672,601)</b>		<b>(2,926,718)</b>

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director and authorised for issue on 4 September 2019.



P Jacobs  
Director

The notes on pages 9 and 12 form part of these financial statements.

# HVL Worthing Limited

## Statement of cash flows for the year ended 31 December 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	254,117	(260,135)
<i>Adjustments for:</i>		
Taxation expense	8,538	-
(Decrease)/Increase in creditors	(262,655)	260,135
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	-	-
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	-	-
Cash and cash equivalents at beginning of year	-	-
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	-	-
	<hr/>	<hr/>

The notes on pages 9 and 12 form part of these financial statements.

# HVL Worthing Limited

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

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### 1 Accounting policies

HVL Worthing 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 director's 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.

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, as detailed in note 2. The following principal accounting policies have been applied:

#### *Limited Liability Partnerships*

Where the company has an interest in a limited liability partnership, the company's share of the limited liability partnership's net profit or loss is accounted for using the equity method. Its share of profit or loss following acquisition is taken to the profit and loss account with a corresponding increase in the investment. Tax arising on the share of the limited liability partnership's profits is borne directly by the members and is therefore not accounted for in the company.

#### *Basis of preparation*

At 31 December 2018 the company had both net current liabilities and net liabilities of £2,672,601 (2017 - £2,926,718).

The financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern assumption, the director has taken into consideration the company's cash flow forecasts and the company's present level of funding. The shareholders have indicated 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. The director is therefore confident that he has sufficient working capital and considers that adequate longer term funding will remain in place and consequently the company will continue as a going concern. No adjustments have been made to the carrying value of both assets and liabilities, that might be required should the going concern basis be inappropriate.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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

In preparing these financial statements, the director has made the following judgements:

- Determine whether there are indicators of impairment of the investment properties held within the LLP investment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset, including assessment of the economic environment and location of the premises.

# HVL Worthing Limited

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

### 3 Operating profit/(loss)

The auditor's remuneration is borne by the parent company, Harris Ventures Limited.

The entity had no employees other than the director whose remuneration was borne by the ultimate parent company, Harris Ventures Limited.

### 4 Taxation on profit/(loss) on ordinary activities

	2018 £	2017 £
<i>UK corporation tax</i>		
Current tax	8,538	-
	<hr/>	<hr/>
Total current tax	8,538	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Taxation on profit/(loss) on ordinary activities	8,538	-
	<hr/>	<hr/>

The tax assessed for the year is lower (2017 – higher than) the standard rate of corporation tax in the UK.  
The differences are explained below:

	2018 £	2017 £
Profit/(Loss) on ordinary activities before tax	262,655	(260,135)
	<hr/>	<hr/>
Profit/(Loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	49,904	(50,076)
Effects of:		
Expenses not deductible for tax purposes	3,535	93,971
Group relief claimed	(44,497)	(43,404)
Deferred tax not recognised	(404)	(491)
	<hr/>	<hr/>
Tax charge for the year	8,538	-
	<hr/>	<hr/>

# HVL Worthing Limited

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

## 5 Investments and provisions

	Investment in LLP £	Investment in associate £	Total £
<i>Net book value</i>			
At 1 January 2018	(2,009,415)	1	(2,009,414)
Profit for the year	274,332	-	274,332
Movement in fair value	(11,677)	-	(11,677)
Capital introduced	148,500	-	148,500
	<hr/>	<hr/>	<hr/>
At 31 December 2018	(1,598,260)	1	(1,598,259)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	(2,009,415)	1	(2,009,414)
	<hr/>	<hr/>	<hr/>

### Investments in LLPs and associates

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

	Class of share capital held	Proportion of share held	Nature of business
<b>Investment in LLP</b>			
Worthing Retail LLP	n/a	50%	Management of income producing properties in the UK
<b>Investment in associate</b>			
Hull Retail Limited	Ordinary	50%	Management of income producing properties in the UK

All investments are registered in England & Wales at Philip Harris House, 1a Spur Road, Orpington, Kent BR6 0PH.

## 6 Creditors: amounts falling due within one year

	2018 £	2017 £
Corporation tax	8,538	-
Amounts owed to group undertaking	1,065,804	917,304
	<hr/>	<hr/>
	1,074,342	917,304
	<hr/>	<hr/>

All amounts due are unsecured and interest free.

# HVL Worthing Limited

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

## 7 Share capital

	2018 £	2017 £
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 (2017 - 1 ordinary share of £1)	1	1

## 8 Reserves

The company's capital and reserves are as follows:

### Share Capital

Called up share capital represents the nominal value of the shares issued.

### Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

## 9 Controlling parties

The ultimate parent company is Harris Ventures Limited, a company incorporated in England and Wales. Harris Ventures Limited is under the control of Lord Harris by virtue of his beneficial interest in that company.

## 10 Related party transactions

The amounts due to group companies of £1,065,804 (2017 - £917,304) is due to Harris Ventures Limited, the ultimate parent company, in respect of the purchase of the company's investments and cash advances.