

**Company Registration No. 05895937**

**HOWARD VENTURES LIMITED**

**Annual report and financial statements**

**For the year ended 30 September 2021**



# **HOWARD VENTURES LIMITED**

## **Annual report and financial statements For the year ended 30 September 2021**

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# **HOWARD VENTURES LIMITED**

**Annual report and financial statements  
For the year ended 30 September 2021**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

Dr Werner M Baumker  
Nicholas C J Bewes  
Caroline L E M Bewes  
Patrick J Bushnell (Chairman)  
Gavin E O Howard  
Richard J Meakin  
Dominic J G Reilly  
Sian L Steele

### **COMPANY SECRETARY**

Caroline L E M Bewes

### **REGISTERED OFFICE**

93 Regent Street  
Cambridge  
CB2 1AW,  
United Kingdom

### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Cambridge  
United Kingdom

# **HOWARD VENTURES LIMITED**

## **STRATEGIC REPORT**

### **PRINCIPAL ACTIVITIES**

The principal activities of the Group are commercial property development and property management and the company is a holding company..

### **REVIEW OF BUSINESS**

For the year to September 2021, the directors are pleased to report a group turnover of £5,157,219 (2020 - £14,069,131), generating a profit before taxation for the year of £52,149 (2020 - £500,685). The group continues to be focused on the development and profitable trading of properties and providing management services to the Group's property portfolio.

### **STRATEGIC REPORT**

The year started with the launch of the Group's Centenary Vision, which will inform strategy for the 15 years from 2020 to 2035. The Centenary Vision unites the three strands of the Group's purpose – People, Planet and Performance – providing a framework to ensure that all strategic decisions are socially, environmentally and economically responsible. Key priorities were identified for the year that aligned with the Centenary Vision, to ensure the Group has an equipped and motivated team that can secure development contracts and build a pipeline of opportunities through long-term partnering arrangements with landowners, contractors, institutional investors and other property owners. The continuing COVID-19 pandemic had no discernible impact on the Group's trading and development activities. In addition, progress was made towards extending our partnerships and joint ventures.

The Group continues to seek high quality development projects predominantly focused in its core target markets of Cambridge, London and the Eastern region, whilst also working as development partner to enhance and improve Howard Group's core property investments. The decrease in turnover from £14.1m in 2020 to £5.2m in 2021 was principally due to a reduction in development activity at Unity Campus, which is being developed on behalf of Howard Sawston Limited. Income of £11.8m was recognised in 2020 as Phase 1 ("The Works") was completed. In 2021, the Group was engaged to act as Developer on preliminary works associated with Phase 2 of the scheme, for which £0.8m of income was recognised. The coming year will see an increase in activity as Phase 2 gathers further momentum.

The Group's liquidity position improved during the year; there is no third party debt and cash balances increased from £4.1m to £7.0m, helped by the disposal of Carlyle Lodge for £1.3m and strong rent collection. The Group's joint venture, Howard Osborne LLP, has continued with its operating lease arrangements between Lucy Cavendish and St Edmund's College for the rooms at Mount Pleasant Halls.

As reported last year, Huw Jones retired as Finance Director in December 2020 and was replaced by Richard Meakin. During the current year, John Bullough retired after 10 years as a Director. During their time with the Group, both John and Huw have made invaluable contributions to its success and the Board is grateful for their service.

The directors consider that the level of trading activity together with the financial and operating controls that are in place are satisfactory for a group of this size and diversity.

### **RESULTS AND DIVIDENDS**

The group reported a profit for the year of £63,261 (2020 - £368,368) attributable to shareholders of Howard Ventures Limited.

During the year, the directors did not declare an interim dividend (2020- £nil).

The directors do not recommend the payment of a final dividend (2020 - £nil).

# HOWARD VENTURES LIMITED

## STRATEGIC REPORT (continued)

### KEY PERFORMANCES INDICATORS (“KPIs”)

Financial and non-financial KPI's are reviewed by the Board and senior management team. Progress on all development projects is reviewed by the Board on a quarterly basis. The development project pipeline is reviewed at weekly team meetings. The performance of unquoted investments is monitored through management reporting and frequent review and scrutiny at board meetings.

Where the Group owns development properties with tenants, property vacancy levels are assessed on a quarterly basis. At the year end there were no voids. Group cash collection and tenant covenant strength are reviewed regularly with our finance and property management teams.

### RISKS AND UNCERTAINTIES

Risk is an integral part of any business and the Board of Directors of the Company met at least quarterly during the financial year to review Company performance, underlying performance of key investments and projects, together with progress against the Centenary Vision and key annual priorities. The Investment Committee is a sub-committee of the Board and scrutinises key investment decisions, as well as reviewing the Group's exposure to various risks on a regular basis. The role of the management team is to run the business within the agreed risk parameters and report on progress on a regular basis to both the Investment Committee and the Board. The Board comprises both independent non-executive Directors and shareholders of the company, together with the Chief Executive, Finance Director and Property Director. The skills balance of the Directors is regularly assessed by the Nominations Committee to ensure the right mix of experience, competence and expertise.

The Group regularly reviews and amends a comprehensive risk register to ensure that it is focused on realistic and current issues. For example, during the year under review, the potential risks to the Group from Brexit and COVID-19 were assessed and monitored. Towards the end of the year, the potential impact of inflation was assessed as high, although the prospect of rising interest rates to temper this is expected to have a limited impact on the Group.

The principal risks faced by the Group, and the steps taken to mitigate these are as follows:

#### *Financial risk*

The Board continues to review key risks and the appropriateness of the measures in place to manage these. Key Performance Indicators for each trading activity in the Group are reviewed by the Board of Directors at least quarterly, including cash flow and Internal Rates of Return expected on projects and activities. Rising inflation in the UK could impact the Group through the erosion of asset values and the value of cash held in real terms and through the reduction of development profits as the construction costs increase. The impact of inflation can be limited by securing fixed price contracts for services received and by entering into “cost plus” contracts with customers that guarantee a margin for the Group. The risk of rising interest risks on the Group will be limited due to the absence of third party debt.

#### *Operational Risk*

The subsidiary Boards within the Ventures Group contain individuals who are experienced and well qualified to recommend appropriate strategies for investment and these Boards meet on a quarterly basis to review as well as identify and approve new opportunities.

There is also a continued drive towards investing in training and development of team members to ensure that they possess the appropriate skills and expertise to support the growth and development of the business and manage risk.

The Group continues to monitor the impact of Brexit and the resulting free trade deal that came into force between the UK and EU on 1 January 2021. As the contract at Unity Campus Phase 2 was for preliminary works, requiring few materials, and all rental income is derived from the UK, the Group perceived the main risk to be on the ability of certain occupiers to meet their rental obligations. An exercise was undertaken to understand the potential impact on these tenants and the situation continues to be monitored. As noted, all the rent demanded in the year under review has been collected.

# HOWARD VENTURES LIMITED

## STRATEGIC REPORT (continued)

### RISKS AND UNCERTAINTIES (continued)

#### *Operational Risk (continued)*

During the year, the on-going COVID-19 pandemic had a limited impact; rent collection was unaffected and the preliminary work at Unity Campus Phase 2 was not impacted. The Group remained cognisant of the potential risks and continued to monitor cash flow closely. The supply chain issues that arose from COVID-19 have led to increased inflation, with CPIH rising to 4.9% in January 2022, and the Group is taking steps to mitigate the impact of this on the costs at Unity Campus Phase 2. Although COVID-19 restrictions have been lifted in the UK, the Group continues to monitor the situation closely.

UK inflation, particularly in the price of energy, has been further exacerbated by Russia's invasion of Ukraine and an assessment of this, and the other risks to the Group from the war, are currently being assessed. The situation is being carefully monitored, although the Directors consider that it is too early to predict the potential risk to the business.

#### *Health and Safety*

Health and Safety remains a core focus for the group and its employees. A rigorous process of risk assessment for individuals as well as operating activities has been carried out to ensure that the business operates within appropriate parameters. This is reviewed on an annual basis and has become an integral part of individuals' annual review and appraisal.

#### *People Risk*

An equipped team is one of the Group's key priorities, with this seen as critical to the Group's ability to deliver its strategy. The group is reliant upon a level of stability amongst employed management and staff and strong relationships with joint venture partners. Management development and succession planning policies are reviewed regularly by the Nominations Committee, a Board subcommittee which has the responsibility to oversee senior appointments and succession planning, together with input from specialist external advisors.

#### *Environmental and Climate Risk*

With planet as one of the three strands of its Centenary Vision, Howard Ventures Limited recognises its responsibility in reducing the environmental impact across all business units. The Group's Environmental Policy is regularly reviewed and the directors continue to pay close attention to the environmental impact of all our activities and those of our partners, especially concerning construction projects.

Almost half of CO2 emissions in the UK are generated by buildings, according to Governmental statistics. Therefore, building services and the built environment has a crucial role to play in improving environmental sustainability.

We pay close attention to the environmental effect of our activities, whether through developing environmentally sound properties or through acquiring sustainable businesses and those demonstrating a commitment to the environment. We will carry on pursuing our goal of delivering long term sustainable solutions across all our businesses and increasingly seeking to measure our effectiveness in this. We believe that this helps us to fulfil our business' purpose to improve and enrich lives through responsible investing in people, places and ideas. As we do this, we seek not only to comply with all relevant legislation but also take a proactive approach and strive to improve our environmental performance. Furthermore, we will encourage our partners to support us in our efforts to improve performance in this area.

# HOWARD VENTURES LIMITED

## STRATEGIC REPORT (continued)

### SOCIAL VALUE

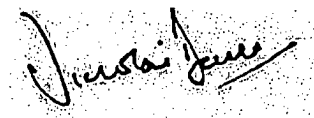
As a family-owned company, our name and our long-standing values run through everything we do. During our 85-year history we have built an enduring business by creating, nurturing and valuing lasting relationships. We create long-term, sustainable value for all our stakeholders by operating in a professional, ethical and transparent way at all times. As articulated through the Group's Centenary Vision to 2035, equal weighting is placed on the environmental, social and economic impact of, and potential value from, any decision taken.

Our core purpose is that of improving and enriching lives, and we continually review our performance in this regard. To this end, we are committed to using sustainable methods and materials to make exceptional spaces for people to live and work in, and to make a lasting positive contribution to the communities in which we work and invest our resources. This also has a strong bearing on choosing which businesses we partner with, invest in and support.

### FUTURE DEVELOPMENTS

The Board remains committed to a strategy of investing in and operating across a range of trading businesses and sectors. While the focus remains predominantly on commercial property development, the Group continues to seek out other commercial opportunities that deliver appropriate financial returns and which are consistent with the wider Group strategy.

Approved by the Board of Directors  
and signed on behalf of the Board



Nicholas C J Bewes  
Director

Date: 14 April 2022

## **HOWARD VENTURES LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the Group, together with the audited financial statements and auditor's report, for the year ended 30 September 2021.

Financial risk management, future developments and dividends are discussed within the strategic report.

#### **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the financial statements.

The directors have considered the financial position of the Company and Group, including the need for any impairment in relation to fixed asset investments and work in progress, and believe that the Company and Group are well placed to manage their business risks successfully. In addition to the considerations above, the directors believe the Company to be well placed to navigate through any uncertainty in the future that may result from COVID-19, with a continued focus on enduring relationships with stakeholders and the maintenance of a strong liquidity position. Therefore, they believe the Group has the necessary cash reserves to cover costs for at least the next 12 months from signing of the financial statements.

After making enquiries, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements

#### **DIRECTORS**

The following directors who held office from 1 October 2020 to the date of signing this report, unless otherwise stated, were as below:

Gavin E O Howard	
Nicholas C J Bewes	
Caroline L E M Bewes	
W John A Bullough	(resigned 30 November 2021)
Richard J Meakin	(appointed 1 May 2021)
Dominic J G Reilly	
A Huw Jones	(resigned 31 December 2020)
Patrick J Bushnell	(Chairman)
Dr Werner M Baumker	
Sian L Steele	

#### **DIRECTORS' INDEMNITY**

Appropriate directors' and officers' liability insurance cover is in place in respect of all the Group's directors.

#### **EVENTS AFTER THE BALANCE SHEET DATE**

Details of significant events since the balance sheet date are contained in note 25 to the financial statements.

#### **CHARITABLE CONTRIBUTIONS**

Donations to charitable organisations amounted to £5,843 (2020 - £883).



# HOWARD VENTURES LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments 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.

### AUDITOR

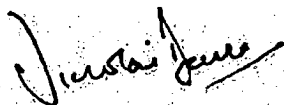
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting..

Approved by the Board of Directors  
and signed on behalf of the Board



Nicholas C J Bewes  
Director

Date: 14 April 2022

## **HOWARD VENTURES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD VENTURES LIMITED**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Howard Ventures Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 25.

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).

##### **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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **HOWARD VENTURES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD VENTURES LIMITED (continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### **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 group's and the parent 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 group or the parent 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 on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and UK tax legislation.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations, general data protection regulation and the Landlord and Tenant Act.

## **HOWARD VENTURES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD VENTURES LIMITED (continued)**

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We discussed among the audit engagement team and Real Estate Specialist regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

Our first significant risk in respect of fraud has been pinpointed to the recoverability of work in progress. The work in progress relates to a property that is expected to be redeveloped, and thus the risk has been pinpointed to the current recoverability of the property prior to redevelopment.

- We challenged the key assumptions used by the external valuer, including those in respect of yields, discounts and expected rental values. In doing so, we have sought to benchmark against relevant market comparatives, evaluated any contradictory evidence and documentation and obtained an understanding in respect of the valuations used within the considerations. This valuation has then been used to determine whether the work in progress is recoverable at the year end.

Our second significant risk in respect of fraud has been pinpointed to the timing of recognition of external dividends throughout the year. The investment portfolio is managed externally, and thus the risk has been pinpointed to the external reports not being used appropriately upon transfer to the dividend income recognition model.

- We have recalculated the dividend income expected from the external reports and compared to the dividend income recognition model. In doing so, we have understood the key assumptions used and their impact, evaluated contradictory evidence and obtained documentation and understanding in respect of any variances.

Our third significant risk in respect of fraud has been pinpointed to the recognition of development income in the year. Development income is recognised as the costs of work are completed and the risk was pinpointed to the recognition of revenue relevant to the level of completion.

- We compared the revenue recognition criteria under FRS 102, and challenged the recognition prepared by the company. In doing so, we have tested that the company has the right to recognise revenue, having met its performance obligations in order to receive future economic benefit.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

## **HOWARD VENTURES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD VENTURES LIMITED (continued)**

#### **Report on other legal and regulatory requirements**

##### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

##### **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.

*Matthew Hall*

**Matthew Hall FCA (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
Statutory Auditor  
Cambridge, United Kingdom

Date: 14 April 2022

## HOWARD VENTURES LIMITED

### CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 30 September 2021

	Note	2021 £	2020 £
<b>TURNOVER</b>	3	5,157,219	14,069,131
Cost of sales		<u>(1,887,909)</u>	<u>(11,120,574)</u>
<b>GROSS PROFIT</b>		3,269,310	2,948,557
Administrative expenses		<u>(3,316,768)</u>	<u>(2,409,139)</u>
<b>OPERATING (LOSS) / PROFIT</b>	6	(47,458)	539,418
Share of profit/(loss) in:			
Joint venture	12	66,996	(31,995)
Investment income:			
Dividends received		<u>102,219</u>	<u>27,258</u>
<b>PROFIT BEFORE INTEREST AND TAXATION</b>		121,757	534,681
Interest receivable and similar income	4	30,392	66,004
Interest payable and similar expenses	5	<u>(100,000)</u>	<u>(100,000)</u>
<b>PROFIT BEFORE TAXATION</b>		52,149	500,685
Tax on profit	9	<u>11,112</u>	<u>(132,317)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>63,261</u>	<u>368,368</u>

All activities derive from continuing operations.

There are no comprehensive income or expenses other than the profit for the financial year and the preceding financial year. Accordingly, no statement of comprehensive income is given.

# HOWARD VENTURES LIMITED

## CONSOLIDATED BALANCE SHEET As at 30 September 2021


	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	11	48,231	58,540
Investments in:			
- Joint ventures	12	148,956	282,960
- Other investments	12	250,000	250,000
		<u>447,187</u>	<u>591,500</u>
<b>CURRENT ASSETS</b>			
Stocks	13	9,611,844	11,136,179
Debtors:			
Due within one year	14	13,209,152	16,461,028
Due after more than one year	14	-	520,000
Cash at bank and in hand		<u>7,024,038</u>	<u>4,111,809</u>
		29,845,034	32,229,016
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(1,706,459)</u>	<u>(4,298,015)</u>
<b>NET CURRENT ASSETS</b>		<u>28,138,575</u>	<u>27,931,001</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		28,585,762	28,522,501
<b>CREDITORS: amounts falling due after more than one year</b>	16	<u>(8,053,020)</u>	<u>(8,053,020)</u>
<b>NET ASSETS</b>		<u><u>20,532,742</u></u>	<u><u>20,469,481</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	405,302	405,302
Share premium account	18	7,845,326	7,845,326
Profit and loss account	18	<u>12,282,114</u>	<u>12,218,853</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>20,532,742</u></u>	<u><u>20,469,481</u></u>

The financial statements of Howard Ventures Limited, registered number 05895937, were approved by the Board of Directors and authorised for issue on 14 April 2022.

Signed on behalf of the Board of Directors



Richard J Meakin  
Director



Nicholas C J Bewes  
Director

# HOWARD VENTURES LIMITED

## COMPANY BALANCE SHEET As at 30 September 2021

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	11	48,231	58,540
Investments in subsidiary undertakings	12	10,134,859	10,134,859
		<u>10,183,090</u>	<u>10,193,399</u>
<b>CURRENT ASSETS</b>			
Debtors	14	18,155,067	20,138,638
Cash at bank and in hand		2,762,977	3,095,977
		<u>20,918,044</u>	<u>23,234,615</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(3,399,015)</u>	<u>(5,827,492)</u>
<b>NET CURRENT ASSETS</b>		<u>17,519,029</u>	<u>17,407,123</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		27,702,119	27,600,522
<b>CREDITORS: amounts falling due after more than one year</b>	16	<u>(8,053,020)</u>	<u>(8,053,020)</u>
<b>NET ASSETS</b>		<u>19,649,099</u>	<u>19,547,502</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	405,302	405,302
Share premium account	18	7,845,326	7,845,326
Profit and loss account	18	11,398,471	11,296,874
<b>SHAREHOLDERS' FUNDS</b>		<u>19,649,099</u>	<u>19,547,502</u>


The profit for the financial year dealt with in the financial statements of the parent company was £101,597 (2020 - £297,050).

The financial statements of Howard Ventures Limited, registered number 05895937, were approved by the Board of Directors and authorised for issue on 14 April 2022.

Signed on behalf of the Board of Directors



Richard J Meakin  
Director



Nicholas C J Bewes  
Director



## HOWARD VENTURES LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 30 September 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 October 2019	405,302	7,845,326	11,850,485	20,101,113
Profit for the year and total comprehensive income	-	-	368,368	368,368
At 30 September 2020	405,302	7,845,326	12,218,853	20,469,481
Profit for the year and total comprehensive income	-	-	63,261	63,261
At 30 September 2021	405,302	7,845,326	12,282,114	20,532,742

## HOWARD VENTURES LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY 30 September 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 October 2019	405,302	7,845,326	10,999,824	19,250,452
Profit for the year and total comprehensive income	-	-	297,050	297,050
At 30 September 2020	405,302	7,845,326	11,296,874	19,547,502
Profit for the year and total comprehensive income	-	-	101,597	101,597
At 30 September 2021	405,302	7,845,326	11,389,471	19,649,099

At 30 September 2021 the Company's distributable reserves were £11,398,471 (2020 - £11,296,874).

# HOWARD VENTURES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT For the year ended 30 September 2021

	Note	2021 £	2020 £
<b>Cash flows from/(used in) operating activities</b>			
Cash inflow/(outflow) from operations	19	1,245,983	(3,899,856)
Tax paid		(173,408)	(865,409)
<b>Net cash flows from/(used in) operating activities</b>		<u>1,072,575</u>	<u>(4,765,265)</u>
<b>Cash flows from investing activities</b>			
Interest received		1,191	2,525
Repayment of loan from company with common shareholders		1,200,000	1,200,000
Repayment of deferred consideration from previous associates		695,000	125,000
Distributions from joint venture		200,000	-
<b>Net cash flows from investing activities</b>		<u>2,096,191</u>	<u>1,327,525</u>
<b>Cash flows used in financing activities</b>			
Loans repaid		(258,756)	-
Dividends received		102,219	27,258
Dividend paid on preference shares		(100,000)	(100,000)
<b>Net cash flows used in financing activities</b>		<u>(256,537)</u>	<u>(72,742)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,912,229	(3,510,482)
<b>Cash and cash equivalents at beginning of year</b>		<u>4,111,809</u>	<u>7,622,291</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>7,024,038</u></u>	<u><u>4,111,809</u></u>

Cash and cash equivalents represents cash at bank and in hand. All cash amounts are available for use.

# HOWARD VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and preceding year.

#### General information and basis of accounting

Howard Ventures Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Howard Ventures Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Howard Ventures Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate company only financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

#### Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings drawn up to 30 September each year. A subsidiary undertaking is deemed to be a company under the control of Howard Ventures Limited. Profits or losses on intra-group transactions are eliminated in full.

The profits and losses of subsidiary undertakings are consolidated from the date of acquisition to the date of disposal. When the Company's shares are issued in respect of an acquisition, the share premium is computed on the basis of the fair value of the consideration received at the date of acquisition. Any difference between the cost of acquisition of shares in the subsidiary undertaking and the fair value of the separable net assets is considered to represent goodwill.

#### Going concern

After making enquiries, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the financial statements.

The directors have considered the financial position of the Company and Group, including the need for any impairment in relation to fixed asset investments and work in progress, and believe that the Company and Group are well placed to manage their business risks successfully. In addition to the considerations above, the directors believe the Company to be well placed to navigate through any uncertainty in the future that may result from COVID-19, with a continued focus on enduring relationships with stakeholders and the maintenance of a strong liquidity position. Therefore, they believe the Group has the necessary cash reserves to cover costs for at least the next 12 months from signing of the financial statements.

After making enquiries, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

#### Participating interests

A participating interest is an interest of a member of the Group in the shares of another undertaking. This interest is held on a long-term basis in order to secure a contribution to its activities by the exercise of control of influence arising from or related to that interest. A holding of 20% or more of the shares of an undertaking is normally presumed to be a participating interest.

#### Associated undertakings

Undertakings other than subsidiary undertakings, in which the Group has an investment representing at least 20% of the voting rights and over which it exerts significant influence are treated as associated undertakings.

## **HOWARD VENTURES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 30 September 2021**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Associated undertakings (continued)**

The Group's shares of the profits less losses and other recognised gains and losses of the associated undertakings are included in the consolidated profit and loss account and consolidated statement of comprehensive income, respectively.

Where audited financial statements are not coterminous with those of the Group, the share of profits less losses of the associated undertakings has been arrived at from the last audited financial statements available or management accounts if the relevant period end is not within 3 months of 30 September.

The consolidated balance sheet includes the Group's share of net assets in associated undertakings and the premium paid less any discount on the acquisition of the interest, insofar as it has not already been written off or amortised.

The Company balance sheet shows the investment in the associated undertakings at cost less amounts written off.

##### **Joint ventures**

In the Group financial statements, investments in joint ventures are accounted for using the gross equity method.

The consolidated profit and loss account includes the Group's share of joint ventures' profit less losses, while the Group's share of net assets are shown in the consolidated balance sheet.

##### **Investments**

Investments in subsidiaries and associates are initially recognised at their fair value and are subsequently carried at cost less provision for any impairments. Impairment losses and any profits and losses arising on the disposal of investments are recognised in the profit and loss account, unless the diminution in value is considered to be temporary.

Other investments held as fixed assets are held at cost less provision for impairment.

Loans to associates are treated as investments on the basis they are provided as long term funds to participants.

##### **Impairment**

An impairment loss is recognised when a difference arises between the asset's carrying amount and the best estimate of the recoverable value. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

##### **Turnover**

Turnover comprises property and development management services, consultancy, insurance & service charge income and interest receivable on loans external to the Group. Turnover excludes value added tax generated in the ordinary course of the Group's business and which is not attributable to any markets outside of the United Kingdom.

Property and development management services and consultancy income are recognised in the month the services are provided, and are accrued if invoiced post the period end date. The Company applied a cost plus ten percent basis on the charge of staff and associated overheads included within property and development management services income.

Insurance and service charge income arises from the provision of additional services to tenants of leased properties. Income is invoiced on a quarterly basis but is recognised in the profit and loss account in line with the associated costs, and at the year end any invoicing shortfall or excess is recognised as accrued or deferred income as necessary.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Investment income comprises dividends receivable by the Group, which were declared during the accounting period.

## HOWARD VENTURES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

#### 1. ACCOUNTING POLICIES (continued)

##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less depreciation and any provision for impairment.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Fixtures and fittings      20% - 33% straight line

No depreciation is charged on investment assets.

##### Stocks

Developed properties held for resale and development work in progress are included at the lower of cost and net realisable value. Development costs incurred prior to obtaining planning permission are charged to the profit and loss account on the basis of the inherently risky nature of the project at least up to this period. All further development costs are capitalised within work in progress. Provision is made for all foreseeable losses.

##### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no intention to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### Contributions to pension fund

The pension costs charged against profits represent the amount of the contributions payable to the defined contribution scheme in respect of the year.

##### Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangements as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the net assets of the company.

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Preference shares are classified and accounted for in accordance with the contractual obligation to deliver cash. Where preference shares are redeemable at the call of the holder, but after more than one year from the balance sheet date, they are treated as a long term liability.

## HOWARD VENTURES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

#### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors believe there are no significant judgements in accounting policies within the financial statements.

##### Investments

The directors consider a key source of estimation uncertainty to relate to the carrying value of the Group's and Company's investments held as per note 12. In estimating the requirement for impairment of these investments, management make assumptions and judgements on the value of these investments using inherently subjective underlying asset valuations.

##### Inventory

During the year, the directors instructed CBRE Limited to undertake a valuation exercise in accordance with RICS Valuation Standards. The valuation of the Company's work in progress is inherently subjective. Assumptions are made with regards to sales value in an open market, external market conditions and potential future revenue streams or value in use. Where the directors believe the market value of work-in-progress held to be in excess of the book value, no impairment is required. As has been the case in the current year, where the market value is believed to be below the book value, an impairment is made to reflect the difference totalling £499,017.

#### 3. TURNOVER

An analysis of the Group's revenue is as follows:

	2021 £	2020 £
Consultancy income	249,600	249,600
Rental income	590,039	623,589
Service charge and other recharged income	8,496	110,621
Development management income	2,131,901	11,843,532
Property management and related services	2,166,726	1,241,789
Miscellaneous income	10,457	-
Total revenue	<u>5,157,219</u>	<u>14,069,131</u>

Turnover is derived from operations within the United Kingdom.

#### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Bank interest	1,191	2,525
Unwinding of discount on deferred considerations	29,201	63,479
	<u>30,392</u>	<u>66,004</u>

# HOWARD VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

### 5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Preference share dividend	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

### 6. OPERATING (LOSS) / PROFIT

	2021 £	2020 £
Operating (loss) / profit is stated after (crediting)/charging		
Auditor's remuneration		
Audit fee – audit of the financial statements	24,500	27,000
Audit fee – audit of the financial statements – company only	12,900	13,500
Tax compliance services	20,100	17,152
Depreciation of tangible fixed assets	17,810	19,085
Rents received from operating leases	(590,039)	(623,589)
Operating lease rentals – property rental	55,000	55,000
	<u>55,000</u>	<u>55,000</u>

### 7. STAFF COSTS

	2021 No.	2020 No.
Average number of persons employed by the group during the year:		
Management	9	10
Administration	10	10
	<u>19</u>	<u>20</u>
Staff costs incurred during the year in respect of these employees were:	£	£
Wages and salaries	365,286	549,837
Social security costs	42,499	70,584
Pension and other costs	25,109	15,374
	<u>432,894</u>	<u>635,795</u>



## HOWARD VENTURES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

#### 8. DIRECTORS' REMUNERATION

Remuneration in respect of directors was as follows:

	2021 £	2020 £
Emoluments including directors' fees	221,842	615,607
Contributions to money purchase pension schemes	14,324	20,775
	<u>236,166</u>	<u>636,382</u>

The average number of directors employed by the group during the year was 3 (2020 - 5). During the year 1 director (2020 - 3) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2021 £	2020 £
Emoluments including directors' fees	86,652	205,372
Contributions to money purchase pension schemes	8,250	12,500
	<u>94,902</u>	<u>217,872</u>

All staff costs (including directors' remuneration) are borne by Howard Ventures Limited. A proportion of these costs are then recharged to Howard Investment Company Limited, a company with common shareholders as per note 24.

#### 9. TAX ON PROFIT

	2021 £	2020 £
<b>Current taxation</b>		
United Kingdom corporation tax for the year	5,847	128,982
Adjustment in respect of prior years	(17,740)	3,335
Adjustments in respect of tax rate changes	781	-
Total current tax (credit)/charge	<u>(11,112)</u>	<u>132,317</u>

## HOWARD VENTURES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

#### 9. TAX ON PROFIT (continued)

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2020 - 19%). The current tax charge for the year and the previous year differs from the standard tax rate for the reasons set out in the following reconciliation:

	2021 £	2020 £
Profit before tax	52,149	500,685
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	9,908	95,130
Factors affecting charge for the year:		
Income not taxable	(7,302)	11,936
Expenses not deductible for tax purposes	15,360	13,884
Joint Ventures	(12,119)	6,079
Tax rate changes	781	-
Adjustment in respect of prior years	(17,740)	3,335
Movement in unprovided deferred tax	-	1,953
Total tax (charge)/credit for the year	(11,112)	132,317

Announcements in the March 2020 budget, which were substantively enacted on 17 March 2020 and subsequently enacted through Finance Act 2020, included provisions to increase the UK Corporation tax rate to 19% from 1 April 2020. Accordingly, the deferred tax at 30 September 2020 was calculated at this rate.

Finance Act 2021, which was substantively enacted on 24 May 2021, included provisions to increase the rate further to 25%, effective from 1 April 2023. This rate has been applied when calculating the deferred tax at the year end.

#### 10. PROFIT FOR THE FINANCIAL YEAR

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account, or statement of comprehensive income, is presented in respect of the parent company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

# HOWARD VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

### 11. TANGIBLE FIXED ASSETS

#### Group and Company

	Investment assets £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 October 2020	40,385	190,641	231,026
Additions	-	7,840	7,840
At 30 September 2021	40,385	198,481	238,866
<b>Depreciation</b>			
At 1 October 2020	4,206	168,280	172,486
Charge for the year	339	17,810	18,149
At 30 September 2021	4,545	186,090	190,635
<b>Net book value</b>			
At 30 September 2021	35,840	12,391	48,231
At 30 September 2020	36,179	22,362	58,540

### 12. INVESTMENTS HELD AS FIXED ASSETS

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Subsidiary undertakings	-	-	10,134,859	10,134,859
Joint ventures	148,956	282,960	-	-
Associates	-	-	-	-
Other investments	250,000	250,000	-	-
	398,956	532,960	10,134,859	10,134,859

#### Company - Shares in subsidiary undertakings

	£
<b>Cost</b>	
At 1 October 2020 and 30 September 2021	14,479,201
<b>Provision for impairment</b>	
At 1 October 2020 and 30 September 2021	4,344,342
<b>Net book value</b>	
At 30 September 2021	10,134,859
At 30 September 2020	10,134,859

## HOWARD VENTURES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

#### 12. INVESTMENTS HELD AS FIXED ASSETS (continued)

The parent company and the group have investments in the following subsidiary undertakings, associates, joint ventures and other investments. All of the following companies are incorporated in England and Wales and all shareholdings are in £1 ordinary shares.

Subsidiary undertakings	Principal activity
Howard Equity Holdings Limited	Acquisition and active management of unquoted companies and holding company
Howard Property Services Limited*	Property management services
Howard Developments Limited*	Property development and development management
HPG Bedford Limited*	Property development
Beaumont Sawston Limited*	Property development
CAEC Howard Limited *	Property development
HPG Developments Limited*	Property development
HPG Gonville Limited*	Property development

\* The companies indicated are owned indirectly.

100% of the share capital is owned directly or indirectly, in relation to the subsidiary undertakings above.

The registered address of all subsidiary undertakings is 93 Regent Street, Cambridge, CB2 1AW.

Joint Ventures	Holding %	Principal Activity
Howard Osborne LLP	50%	Property development

The registered address of Howard Osborne LLP is 93 Regent Street, Cambridge, CB2 1AW. The company is a limited liability partnership.

Group	Joint ventures £
At 1 October 2020	282,960
Share of retained profit for the year	65,996
Distribution of profit	(200,000)
At 30 September 2021	<u>148,956</u>

# HOWARD VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

### 12. INVESTMENTS HELD AS FIXED ASSETS (continued)

#### Unlisted investments

Company	Holding %	Principal activity	Cost of investment	Impairments to 30 September 2021	Net Book Value
IX Group Limited	5.6%	Market research	£250,000	-	£250,000
Waste Management Systems Limited	3.2%	Waste logistics service	£617,345	(£617,345)	-

The registered address for IX Group Limited is Unit 15a, Meadway Court, Rutherford Close, Stevenage, SG1 2EF.

The registered address for Waste Management Systems Limited is Templars House, Lulworth Close, Chandlers Ford, Hampshire, SO53 3TL.

The company holds 1,219,363 'A' ordinary shares of 10p each in Waste Management Systems Limited. The company holds 626,758 'B' ordinary shares and 224,363 'C' ordinary shares of 1p each in iX Group Limited. All associates and other investments are owned by Howard Equity Holdings Limited.

	Unlisted investments £
<b>Cost</b>	
At 1 October 2020 and 30 September 2021	867,345
<b>Provisions for impairment</b>	
Provision at 1 October 2020 and 30 September 2021	617,345
<b>Net book value</b>	
At 30 September 2021	250,000
At 30 September 2020	250,000

# HOWARD VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

### 13. STOCKS

	Group	
	2021	2020
	£	£
Work in progress	9,611,844	11,136,179

### 14. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	12,006,192	14,557,105	1,384,626	1,402,513
Deferred consideration	-	1,350,889	-	-
Amounts owed by group undertakings	-	-	16,639,730	18,680,369
Other debtors	1,111,891	497,818	42,333	540
Prepayments	34,703	55,216	34,703	55,216
Corporation tax debtor	56,366	-	53,675	-
	<u>13,209,152</u>	<u>16,461,028</u>	<u>18,155,067</u>	<u>20,138,638</u>
<b>Amounts falling due after more than one year:</b>				
Deferred consideration	-	520,000	-	-

The deferred consideration arose from the sale of development property during the year ended 30 September 2016 and the sale of the investment in Howard Sandcliffe Investments 6 Limited during 2019. The balance due on the investment was payable over the course of 3 years up to 31 December 2022, with equal instalments of £25,000 due per month. All debt was repaid during the year with the exception of £50,000, which was written off.

The consideration on the sale of development property was receivable in stages with the amounts being discounted at a rate of 3%, which was deemed to be indicative of a market rate of interest at the date of acquisition. At the year end the undiscounted outstanding balance is £nil (2020 - £1,200,000).

Amounts owed by group undertakings are repayable on demand and no interest accrued on these balances. Amounts owed by group undertakings are not secured against any asset.

# HOWARD VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Shareholder loan	139,795	398,551	139,795	398,551
Trade creditors	-	55,283	-	14,120
Amounts owed to group undertakings	-	-	2,408,660	2,409,059
Corporation tax	-	128,957	-	88,164
Other taxation and social security	49,860	58,535	40,836	921
Other creditors	740,930	3,118,008	282,410	2,556,585
Accruals	664,578	392,102	527,314	360,092
Deferred Income	111,296	146,579	-	-
	<u>1,706,459</u>	<u>4,298,015</u>	<u>3,399,015</u>	<u>5,827,492</u>

The shareholder loan, obtained on 8 March 2016, is interest free and is repayable on demand.

Amounts owed to group undertakings are repayable on demand and no interest accrued on these balances. Amounts owed to group undertakings are not secured against any asset.

The other creditors balance at the year end relates to VAT due payable by the business, and rent deposits received from tenants.

### 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Redeemable preference shares	4,000,000	4,000,000	4,000,000	4,000,000
'A' redeemable preference shares	4,053,020	4,053,020	4,053,020	4,053,020
	<u>8,053,020</u>	<u>8,053,020</u>	<u>8,053,020</u>	<u>8,053,020</u>

The redeemable preference shares carry an entitlement to a cumulative dividend at the rate of 2.5p per share per annum, payable biannually on 31 March and 30 September. Preference shares are repayable at the request of the holder at nominal value. This is subject to the right of the directors not to redeem all or any such shares. No amount is deemed to be repayable within 12 months of the balance sheet date.

The 'A' redeemable preference shares do not carry an entitlement to a dividend however they grant the holder the right, at all times, to redeem the nominal value of the shares at the holder's request. This is subject to the right of the directors not to redeem all or any such shares. No amount is deemed to be repayable within 12 months of the balance sheet date.

# HOWARD VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

### 17. ANALYSIS AND RECONCILIATION OF NET FUNDS

	At 1 October 2020 £	Cash flow £	At 30 September 2021 £
Cash and cash equivalents	4,111,809	2,912,229	7,024,038
Debt due within 1 year	(398,551)	258,756	(139,795)
Net funds	<u>3,713,258</u>	<u>3,170,985</u>	<u>6,884,243</u>
		2021 £	2020 £
Change in net fund resulting from cash flows		3,170,985	(3,510,482)
Movement in net funds in the year		3,170,985	(3,510,482)
Opening net funds		3,713,258	7,223,740
Closing net funds		<u>6,884,243</u>	<u>3,713,258</u>

### 18. CALLED UP SHARE CAPITAL AND RESERVES

	2021 £	2020 £
<b>Called up, allotted and fully paid</b>		
405,302 ordinary shares of £1 each	405,302	405,302
4,000,000 redeemable preference shares of £1 each (note 16)	4,000,000	4,000,000
4,053,020 'A' redeemable preference shares of £1 each (note 16)	<u>4,053,020</u>	<u>4,053,020</u>

The entity is a private company and is limited by shares.

The Company has one class of ordinary shares with no right to fixed income. Each share contains a voting right.

The redeemable preference shares are presented as a liability (see note 16) and accordingly are excluded from called-up share capital on the balance sheet. The redeemable preference shares carry an entitlement to a cumulative dividend at the rate of 2.5p per share per annum, payable biannually on 31 March and 30 September. Preference shares are repayable at the request of the holder at nominal value. This is subject to the right of the directors not to redeem all or any such shares upon the basis of insufficient distributable reserves, otherwise the holders may redeem. No amount is deemed to be repayable within 12 months of the balance sheet date. The 'A' redeemable preference shares do not carry an entitlement to a dividend however they grant the holder the right, at all times, to redeem the nominal value of the shares at the holder's request. This is subject to the right of the directors not to redeem all or any such shares upon the basis of insufficient distributable reserves, otherwise the holders may redeem. No amount is deemed to be repayable within 12 months of the balance sheet date.

The Group's and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares net of issue expenses.

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



## HOWARD VENTURES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

#### 19. RECONCILIATION OF OPERATING (LOSS) / PROFIT TO NET CASH FLOW FROM OPERATIONS

	2021 £	2020 £
Operating (loss)/profit	(47,458)	539,418
Adjustment for:		
Depreciation of tangible fixed assets	18,149	14,029
Operating cash flow before movement in working capital	(29,309)	553,447
Decrease in stocks	1,524,334	8,637,828
Decrease/(increase) in debtors	2,109,634	(12,851,985)
Decrease in creditors	(2,358,676)	(239,146)
Cash inflow/(outflow) from operations	1,245,983	(3,899,856)

#### 20. FINANCIAL COMMITMENTS

At the current year end the group and company occupied its premises under a tenancy at will.

#### 21. PENSIONS

The group operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

The pension cost charge represents contributions payable by the group to the fund and amounted to £94,224 (2020 - £67,964). As at 30 September 2021 contributions of £8,917 (2020 - £9,070) due in respect of the current year had not been paid over to schemes.

#### 22. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2021 £	2020 £
Within one year	458,616	525,622
In the second to fifth years inclusive	1,544,464	1,577,488
After more than five years	4,697,302	4,934,858
	6,700,382	7,037,968

# HOWARD VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

### 23. RELATED PARTY TRANSACTIONS

During the year Howard Property Services Limited raised invoices to entities with common shareholders, totalling £nil (2020 - £274,248) for the provision of property services.

	2021		2020	
	Invoiced	Outstanding	Invoiced	Outstanding
	£	£	£	£
Beaumont Sawston Limited	-	-	-	-
Howard Bedford Limited	-	-	26,965	(306)
Howard Grove Limited	-	-	1,604	-
Howard Haverhill Limited	-	-	11,963	-
Howard Investment Company Limited	-	-	27,500	-
Howard Langford Limited	-	-	11,248	(1,673)
Howard Lewisham Limited	-	-	76,832	(18,194)
Howard Osborne LLP	-	-	7,500	-
Howard Property Limited	-	-	-	-
Howard Regent Limited	-	-	53,660	(3,049)
Howard Sawston Limited	-	-	56,977	(3,380)
Howard Silbury Limited	-	-	-	-
Howard Stansted Limited	-	-	-	-
Howard Cambridge Limited	-	-	-	-
Howard Residential Limited	-	-	-	-
	<u>-</u>	<u>-</u>	<u>274,248</u>	<u>(26,603)</u>

During the year, Howard Ventures Limited repaid £258,756 (2020 - £nil) in respect of the loan facility provided by its shareholders. At the year end, a total of £139,795 (2020 - £398,551) was due. The shareholder loan is interest free and is repayable on demand.

During the year Howard Ventures Limited raised invoices to entities with common shareholders and subsidiaries totalling £3,099,865 (2020 - £3,105,076) in respect of staff and associated overheads.

	2021		2020	
	Invoiced	Outstanding	Invoiced	Outstanding
	£	£	£	£
Howard Developments Limited	872,691	239,278	1,293,440	545,927
Howard Property Services Limited	-	-	259,097	-
Howard Investments Company Limited	2,227,174	1,104,659	1,552,539	1,088,699
	<u>3,099,865</u>	<u>1,343,937</u>	<u>3,105,076</u>	<u>1,634,626</u>

At 30 September 2021, the amount outstanding from Howard Investments Company Limited was held within trade debtors (note 14). In addition, an amount of £nil (2020 - £310,750) was held in accruals (note 15) in respect of a credit note to be raised in respect of management charges.

## **HOWARD VENTURES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 30 September 2021**

#### **23. RELATED PARTY TRANSACTIONS (continued)**

At 30 September 2021, £nil (2020 - £1,200,000) remains outstanding due to the sale of a development property during 2016 to Howard Sawston Limited, a company under common control. The balance due was payable over the course of 5 years, with annual instalments of £1,200,000 due. The debt was not secured. The total amount outstanding after taking into account the impact of discounting is £nil (2020 - £1,170,889).

Howard Developments Limited raised invoices totalling £299,520 (2020 - £249,400) during the year for professional services provided to Howard Investment Company Limited, a company with common shareholders. At 30 September 2021, an amount of £239,278 (2020 - £nil) was outstanding.

Howard Developments Ltd raised invoices totalling £nil (2020 - £11,676,602) during the year for development services provided to Howard Sawston, a company with common shareholders. At 30 September 2021 £10,761,923 (2020 - £13,011,923) were outstanding. At 30 September 2021 there was an accrued balance of £841,903 (2020 - £nil) outstanding.

During the year, Howard Ventures Limited paid rent of £55,000 (2020 - £55,000) to Howard Grove Limited, a company with common shareholders. At 30 September 2021 and 2020, there were no amounts outstanding.

The Group has made loans to associates and certain joint ventures for which the advances and outstanding amounts are detailed by entity in note 12.

Howard Developments raised invoices totaling £12,000 during the year for admin provided to Howard Osborne. At 30 September 2021 £3,000 was outstanding.

During the year, Howard Equity Holding received loan repayments totaling £695,000 from Fenland Holdings Limited, with a write off of £50,000 agreed in return for early repayment. As a result, there was £nil outstanding on the loan at 30 September 2021.

#### **24. CONTROLLING PARTY**

Howard Ventures Limited is not deemed to be under the control of any individual, by virtue of the issued share capital of the company being owned and controlled by a number of director-shareholders.

#### **25. POST BALANCE SHEET EVENT**

Subsequent to the year end, the business of IX Group Limited was sold and the company entered voluntary liquidation. The final proceeds to be received by the Group are uncertain, but to date £723,219 has been received.