

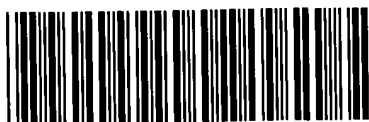
Wittington Investments (Harbourvest) Limited

**Directors' report and financial
statements**

Registered number 6632271

17 September 2016

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Directors' report

The directors present their directors' report and the audited financial statements for the period ended 17 September 2016.

Principal activity

The principal activity is that of an investment company.

Business review and future developments

During the period the main activity of the Company remained unchanged and the directors expect that any future developments will be related to this activity.

Trading results, dividends and transfers to reserves

The profit and loss account for the period is set out on page 5. The profit on ordinary activities after tax amounted to US\$318,254 (2015: US\$116,661).

No dividend is recommended for the period (2015: \$nil).

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors and directors' interests

The directors who held office during the period were as follows:

Guy Weston
George Weston
Kate Hobhouse
Stephen Hancock
Charles Mason

Notification of an interest in the shares of this Company and shares in or debentures of other group companies by the directors was not required because at the end of the period each was also a director of a company of which this Company is a wholly owned subsidiary undertaking.

No director had at any time during the period any material interest in a contract with the Company.

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year.

Financial risk management

Details of the Company's use of financial instruments and its exposure to risk can be found in note 10.

Auditor

KPMG Audit plc will resign as auditor of the Company with effect from 7 June 2017 and a notice of resignation will be deposited with the Registrar of Companies with effect from that date. A recommendation to appoint Ernst & Young LLP as auditor of the Company will be proposed at the forthcoming AGM.

By order of the Board



Amanda Geday
Secretary

6 June 2017

Weston Centre
10 Grosvenor Street
London W1K 4QY

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG Audit Plc
15 Canada Square
London
E14 5GL

Independent auditor's report to the members of Wittington Investments (Harbourvest) Limited

We have audited the financial statements of Wittington Investments (Harbourvest) Limited for the period ended 17 September 2016, set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 17 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Wittington Investments (Harbourvest) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Zulfikar Walji (Senior Statutory Auditor)
for and on behalf of KPMG Audit plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
6 June 2017

Profit and loss account and other comprehensive income

for the 53 weeks ended 17 September 2016

	Note	53 weeks ended 17 September 2016	52 weeks ended 12 September 2015
		US\$	US\$
Administrative expenses		(27,899)	(27,425)
Other operating income		695,381	232,543
Operating profit		667,482	205,118
Net change in fair value of investments		(141,279)	86,533
Profit on ordinary activities before tax		526,203	291,651
Tax charge on ordinary activities	4	(207,949)	(174,990)
Profit on ordinary activities after tax		318,254	116,661

There are no recognised gains or losses other than the profit for the period.

There is no material difference between the Company's results as reported and on an historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.

The profit on ordinary activities before tax relates entirely to continuing activities.

Balance sheet

at 17 September 2016

	Note	17 September 2016	12 September 2015
		US\$	US\$
Non-current assets			
Investments	5	1,814,952	2,486,231
Current assets			
Debtors	6	144,095	144,495
Cash		4,306,413	3,803,913
Total assets		6,265,460	6,434,639
Creditors: amounts falling due within one year	7	(4,228,529)	(4,568,758)
Provision for liabilities	8	(308,542)	(455,746)
Total liabilities		(4,537,071)	(5,024,504)
Net assets		1,728,389	1,410,135
Capital and reserves			
Called up share capital	9	3	3
Profit and loss account		1,728,386	1,410,132
Shareholders' surplus – equity interests		1,728,389	1,410,135

These financial statements were approved by the board of directors on 6 June 2017 and were signed on its behalf by:



Guy Weston
 Director

Company registration number 6632271

Statement of Changes in Equity

for the period ended 17 September 2016

	Called up share capital	Profit and loss account	Total equity
	US\$	US\$	US\$
Balance at 14 September 2014	3	1,293,471	1,293,474
Total comprehensive income for the period			
Profit for the period	-	116,661	116,661
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	116,661	116,661
Balance at 12 September 2015	3	1,410,132	1,410,135
Total comprehensive income for the period			
Profit for the period	-	318,254	318,254
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	318,254	318,254
Balance at 17 September 2016	3	1,728,386	1,728,389

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the Company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared to 17 September 2016.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, except that current asset investments are stated at fair value, and in accordance with applicable accounting standards.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantages of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 affected the reported financial position and financial performance of the Company is provided in note 13.

The Company's ultimate parent undertaking, Wittington Investments Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Wittington Investments Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

Notes

(forming part of the financial statements)

2 Accounting policies *(continued)*

Basis of preparation (continued)

In these financial statements the Company has changed its accounting policies in the following areas:

Non-current assets investments are recognised at the fair value as determined by third parties in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Standard methodologies include primary valuation by reference to the price of recent investments, applying sector multiples to Company revenue, or by review if comparable acquisition deals in appropriate sectors.

Under previous UK GAAP current asset investments were measured at cost less impairment. The change in accounting policy was applicable for the comparative amount of investments reported in the directors' report and financial statement as at 12 September 2015. This resulted in the restatement of the carrying value of current asset investments from \$207,500 as reported as at 12 September 2015 to non-current asset investments of \$2,486,231. The net change in the fair value of non-current asset investments of \$2,278,731 was recognised on transition to FRS 101. See note 13 for more details.

Going concern

The Company is dependent upon its parent company, Wittington Investments Ltd (Wittington) for continuing financial support. Wittington has provided the Company with an undertaking that it will continue to make available such funds as are needed by the Company until presentation of its financial statements for the period ending 16 September 2017 and accordingly the directors consider it appropriate to continue to adopt the going concern basis in preparing the Company's financial statements.

Investments

The Company measures its financial assets at fair value through profit and loss. They are carried in the balance sheet at fair value with changes in fair value recognised in the profit and loss account.

The Company's primary function is to invest in private equity funds. Investments are held on the balance sheet at fair value, and the Company's fair value methodologies are derived from using the International Private Equity and Venture Capital Valuation Guidelines (December 2012). Investments where fair value derives mainly from the underlying assets, such as funds managed by fund managers, are valued at net asset value using appropriate valuation measures for the underlying assets and liabilities.

Fair Value Measurement Hierarchy

FRS 101 requires certain disclosures which require the classification of financial assets and liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices)
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

Financial instruments

The Company's financial instruments comprise investments measured at fair value. The Company does not enter into speculative derivative contracts.

Notes

(forming part of the financial statements)

2 Accounting policies *(continued)*

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The directors consider the US Dollar to be the Company's functional and presentational currency as the investments and income derived from these investments are undertaken in US Dollars. The effective exchange rate at 17 September 2016 was £1: US\$1.31.

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items taken directly to equity or other comprehensive income.

Current tax is the tax expected to be payable on the taxable income for the year, using tax rates enacted or substantively enacted by the balance sheet date, together with any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the rates that are expected apply when the related asset is realised or liability is settled, based on tax rates and laws substantively enacted at the balance sheet date.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred income tax assets and liabilities are offset where a legally enforceable right exist to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

3 Operating costs

Other operating income/(expenses) include a foreign exchange gain of \$695,381 (2015: \$232,543).

The auditor's remuneration for the period was \$2,657 (2015: \$1,940). The auditor's remuneration is borne by the parent Company.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, for both audit and non-audit services have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Wittington Investments Limited.

The Company did not employ staff at any time during the period nor make any payments in respect of wages and salaries.

The directors received no emoluments in respect of their services to the Company.

Notes (continued)

4 Taxation

	53 weeks ended 17 September 2016 US\$	52 weeks ended 12 September 2015 US\$
Current tax charge		
UK corporation tax	(204,843)	(80,151)
Current income tax charge	(204,843)	(80,151)
Amounts underprovided in previous years	(150,310)	(77,533)
Total tax charge	(355,153)	(157,684)
Deferred tax		
Origination and reversal of temporary differences	92,755	(17,739)
Impact of change in tax laws and rates	54,449	433
Total deferred tax	147,204	(17,306)
Total tax charge	(207,949)	(174,990)

The difference between the total current tax charge shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	53 weeks ended 17 September 2016 US\$	52 weeks ended 12 September 2015 restated US\$
Profit on ordinary activities before tax	526,203	291,651
Nominal corporation tax at the standard rate of corporation tax of 20% (2015: 20.5%)	(105,241)	(59,788)
Expenses not deductible for tax	(5,581)	(5,622)
Partnership taxable income	(1,266)	(32,480)
Prior period adjustment	(150,310)	(77,533)
Impact of change in tax laws and rates	54,449	433
Total tax charge	(207,949)	(174,990)

The UK corporation tax rate was reduced to 20% with effect from 1 April 2015 and further reductions to 19% and 17% have also now been substantively enacted which will take effect in April 2017 and April 2020 respectively. Accordingly, deferred tax has been calculated using these rates as appropriate. See Note 8 for analysis of deferred tax balances.

Notes (continued)

5 Non-current asset investments measured at fair value

	17 September 2016 US\$	12 September 2015 US\$
Investments at fair value	1,814,952	2,486,231

6 Debtors

	17 September 2016 US\$	12 September 2015 US\$
Amounts falling due within one year		
Amounts owed to group undertakings:		
Parent and fellow subsidiary undertakings	136,185	136,185
Prepayment	7,910	8,310
	<u>144,095</u>	<u>144,495</u>

7 Creditors

	17 September 2016 US\$	12 September 2015 US\$
Amounts falling due within one period		
Amounts owed to group undertakings:		
Parent and fellow subsidiary undertakings	3,873,534	4,407,487
Corporation Tax	354,995	161,271
	<u>4,228,529</u>	<u>4,568,758</u>

8 Deferred tax assets and liabilities

	17 September 2016 US\$	12 September 2015 US\$
At the beginning of the period	455,746	438,440
Origination and reversal of temporary differences	(92,755)	17,739
Impact of change in tax laws and rates	(54,449)	(433)
At the end of the period	<u>308,542</u>	<u>455,746</u>
The elements of deferred tax are as follows:		
Deferred tax arising on non-current asset investments	<u>308,542</u>	<u>455,746</u>

9 Called up share capital

	17 September 2016 US\$	12 September 2015 US\$
Issued, allotted and called up		
2 ordinary shares of £1 each	3	3

Notes (continued)

10 Financial instruments

The Company's financial instruments comprise investments measured at fair value.

a) Fair values

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	Carrying amount 2016 US\$	Fair value 2016 US\$	Carrying amount 2015 US\$	Fair value 2015 US\$
Investments measured at fair value through profit or loss	1,814,952	1,814,952	2,486,231	2,486,231

The investments measured at fair value are valued using the valuation basis as at 17 September 2016 outlined in Note 2.

All financial instruments measured at fair value fall under definition of level 2 as outlined in the accounting policies.

Level 2 fair value measurements at 17 September 2016

	US\$
At 12 September 2015	2,486,231
Additions during the year	-
Disposals during the year	(530,000)
Unrealised loss during the year	(141,279)
At 17 September 2016	1,814,952

The accounting policies set out in note 2 have been applied in preparing the financial statements for the period ended 17 September 2016, the comparative information presented in these financial statements for the period ended 12 September 2015 and in the preparation of an opening FRS 101 balance sheet at 14 September 2014 (the Company's date of transition).

The accounting policies set out in note 2 have been applied in preparing the financial statements for the period ended 17 September 2016, the comparative information presented in these financial statements for the period ended 12 September 2015 and in the preparation of an opening FRS 101 balance sheet at 14 September 2014 (the Company's date of transition).

Because of the inherent uncertainties of valuing unquoted investments, the eventual realisation proceeds may differ from the estimated fair value and the difference could be significant. Appropriate provisions are made against all individual values where necessary to reflect unsatisfactory financial performance or a fall in comparable ratings, leading to impairment in value.

b) Market risk

Market risk is the risk of movements in the fair value of future cash flows of a financial instrument or forecast transaction as underlying market prices change. The Company is exposed to changes in market values of financial investment. These risks are known as "economic" (or forecast) exposures.

The Company invests in private equity funds. The proportion of the total fund held by the Company is small. Each fund will hold a portfolio of investments thus mitigating the risk to the Company.

Notes *(continued)*

10 Financial instruments (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities as they fall due. The Company is not considered to have any liquidity risk as the amounts are due to group undertakings and support is provided by the parent company.

d) Valuation risk

The Company values its investments according to the valuation methodology detailed in Note 2. The Company's valuation guidelines have been developed in accordance with the International Private Equity and Venture Capital Valuation Guidelines (December 2012). Investments are held at fair value, which is the price that would be received if the asset were sold in an orderly transaction between market participants given current market conditions at the measurement date. Valuation risks are mitigated by reviews of underlying investments in the private equity funds and direct investments carried out by the managers of the private equity funds quarterly. These valuations are then reviewed by the directors. The details of the valuation methodology are provided in Note 2 under the "Investments" sub-heading.

11 Control

The largest group in which the results of the Company are consolidated is that headed by Wittington Investments Limited ('Wittington'), the accounts of which are available at Weston Centre, 10 Grosvenor Street, London W1K 4QY.

Wittington is the ultimate holding company, and is incorporated and registered as a limited company in England and Wales. Wittington is the sole shareholder of the Company and is therefore the controlling shareholder.

The majority shareholder of Wittington is Garfield Weston Foundation, a grant making trust and a registered charity. The Trustees of the Garfield Weston Foundation are Persons with Significant Control in relation to Wittington.

12 Registered Office

The registered office of the Company is Weston Centre, 10 Grosvenor Street, London W1K 4QY.

Notes (continued)

13 Explanation of transition to FRS 101 (continued)

As stated in note 2, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the period ended 17 September 2016, the comparative information presented in these financial statements for the period ended 12 September 2015 and in the preparation of an opening FRS 101 balance sheet as at 14 September 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

	Note	14 September 2014 comparative			12 September 2015 comparative		
		UK GAAP	Effect of transition to FRS 101	FRS 101	UK GAAP	Effect of transition to FRS 101	FRS 101
		\$	\$	\$	\$	\$	\$
Non-current assets							
Investments	a	-	3,939,699	3,939,699	-	2,486,231	2,486,231
Current assets							
Investments	a	1,747,500	(1,747,500)	-	207,500	(207,500)	-
Debtors		44,420	-	44,420	144,495	-	144,495
Cash		2,391,413	-	2,391,413	3,803,913	-	3,803,913
Total assets		<u>4,183,333</u>	<u>2,192,199</u>	<u>6,375,532</u>	<u>4,155,908</u>	<u>2,278,731</u>	<u>6,434,639</u>
Creditors: amounts due within one year		(4,643,618)	-	(4,643,618)	(4,568,758)	-	(4,568,758)
Provision for liabilities	b	<u>-</u>	<u>(438,440)</u>	<u>(438,440)</u>	<u>-</u>	<u>(455,746)</u>	<u>(455,746)</u>
Total liabilities		<u>(4,643,618)</u>	<u>(438,440)</u>	<u>(5,082,058)</u>	<u>(4,568,758)</u>	<u>(455,746)</u>	<u>(5,024,504)</u>
Net (liabilities)/assets		<u>(460,285)</u>	<u>1,753,759</u>	<u>1,293,474</u>	<u>(412,850)</u>	<u>1,822,985</u>	<u>1,410,135</u>
Capital and reserves							
Called up share capital		3	-	3	3	-	3
Profit and loss account		<u>(460,288)</u>	<u>1,753,759</u>	<u>1,293,471</u>	<u>(412,853)</u>	<u>1,822,985</u>	<u>1,410,132</u>
Shareholders' (deficit)/surplus – equity interests		<u>(460,285)</u>	<u>1,753,759</u>	<u>1,293,474</u>	<u>(412,850)</u>	<u>1,822,985</u>	<u>1,410,135</u>

Notes (continued)

13 Explanation of transition to FRS 101 (continued)

Reconciliation of profit/loss for comparative

		12 September 2015 comparative		
	Note	UK GAAP \$	Effect of transition to FRS 101 \$	FRS101 \$
Administrative expenses		(27,425)	-	(27,425)
Other operating income		232,543	-	232,543
Operating profit		205,118	-	205,118
Net change in fair value of investments	a	-	86,533	86,533
Profit on ordinary activities before tax		205,118	86,533	291,651
Tax charge on ordinary activities	b	(157,683)	(17,307)	(174,990)
Profit on ordinary activities after tax		47,435	69,226	116,661

a) Recognition of fair value of investments

Under previous UK GAAP investments were accounted for at cost less impairment. Under FRS 101 investments are managed and recognised on a fair value basis with any movement in the fair value recognised through the Profit and Loss account. In 2015 as a result of the transition to adopted FRS 101, the fair value adjustment in respect of investments was \$2,278,731 (2014: \$2,192,199). Under previous UK GAAP they had been shown as current assets.

b) Deferred tax

Under FRS 101 a balance sheet liability method is adopted in respect of deferred tax. Temporary differences arise where assets are revalued and no equivalent adjustment is made for tax purposes. Deferred tax has been calculated on the basis the investments will be recovered through use.