

HVL Neath Limited

Report and Financial Statements

Year Ended

31 December 2009

Company number: 05826447



HVL Neath Limited

Report and financial statements for the year ended 31 December 2009

Contents

Page:

| | |
|---|--|
| 1 | Report of the directors |
| 3 | Independent auditor's report |
| 5 | Profit and loss account |
| 5 | Statement of recognised gains and losses |
| 6 | Balance sheet |
| 7 | Notes forming part of the financial statements |

Directors

P Jacobs
P J Saunders

Secretary and registered office

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

Company number

05826447

Auditors

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

HVL Neath Limited

Report of the directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

Results

The profit and loss account is set out on page 5 and shows the loss for the period (2008 – loss)

The directors do not recommend the payment of a final dividend (2008 - £Nil)

Principal activities

The company's principal activity is that of property investment

Directors

The directors of the company during the period were

P Jacobs
P J Saunders

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The directors are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that show and explain the company's transactions, 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

HVL Neath Limited

Report of the directors for the year ended 31 December 2009 (*continued*)

Auditors

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

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

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By order of the Board



P Jacobs
Secretary

Date 23 July 2010

HVL Neath Limited

Independent auditor's report

To the shareholders of HVL Neath Limited

We have audited the financial statements of HVL Neath Limited for the year ended 31 December 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

HVL Neath Limited

Independent auditor's report (*continued*)

Opinion on other matter prescribed by the Companies Act 2006

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

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
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



James Roberts (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date 26 July 2010

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

HVL Neath Limited

Profit and loss account for the year ended 31 December 2009

| | Note | 2009 £ | 2008 As restated £ |
|--|------|-------------------|--------------------------|
| Share of operating loss in associated undertaking | | (16,440) | (15,751) |
| Operating loss | 3 | (16,440) | (15,751) |
| Other interest receivable and similar income | | - | - |
| Interest payable and similar charges | | - | - |
| Loss on ordinary activities before taxation | | (16,440) | (15,751) |
| Taxation on loss from ordinary activities | | (4,151) | 4,421 |
| Loss on ordinary activities after taxation | | (20,591) | (11,330) |
| All amounts relate to continuing activities | | | |
| Statement of total recognised gains and losses | | 2009 £ | 2008 £ |
| Loss for the financial year | | (20,591) | (11,330) |
| Unrealised deficit on revaluation of properties held by equity accounted investment | | - | (562,885) |
| Total recognised gains and losses in the year | | (20,591) | (574,215) |

The notes on pages 7 to 9 form part of these financial statements

HVL Neath Limited

Balance sheet at 31 December 2009

| <i>Company number: 05826447</i> | Note | 2009 £ | 2009 £ | 2008 As restated £ | 2008 As restated £ |
|---|------|----------------|------------------|--------------------------|--------------------------|
| Fixed assets | | | | | |
| Investments | 4 | <u>66,956</u> | | <u>83,396</u> | |
| | | 66,956 | | 83,396 | |
| Creditors: amounts falling due within one year | 5 | <u>701,009</u> | | <u>696,858</u> | |
| Net liabilities | | | <u>(634,053)</u> | | <u>(613,462)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 6 | | 1 | | 1 |
| Profit and loss account | 7 | | (71,169) | | (50,578) |
| Revaluation reserve | | | <u>(562,885)</u> | | <u>(562,885)</u> |
| Shareholders' deficit | 8 | | <u>(634,053)</u> | | <u>(613,462)</u> |

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

The financial statements were approved by the Board and authorised for issue on

23 July 2010



P J Saunders
Director

The notes on pages 7 to 9 form part of these financial statements

HVL Neath Limited

Notes forming part of the financial statements for the year ended 31 December 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Limited Liability Partnerships

Where the company has an interest in a limited liability partnership, the company's share of the limited liability partnership's net assets and results are accounted for using the equity method. Its share of profit following acquisition is taken to the profit and loss account with a corresponding increase in the investment. Tax arising on the share of the limited liability partnership's profits is borne directly by the members and is therefore accounted for in the company.

Basis of preparation

The financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern assumption, the directors have taken into consideration the company's cash flow forecasts and the company's present level of funding. The shareholders have indicated that they will not withdraw the existing financial support to the company for at least a year from the date of approval of these financial statements. The directors are therefore confident that they have sufficient working capital and consider that adequate longer term funding will remain in place and consequently the company will continue as a going concern. No adjustments have been made to the carrying value of both assets and liabilities, that might be required should the going concern basis be inappropriate.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights of the company are controlled within the group headed by Harns Ventures Limited and the company is included in consolidated financial statements.

2 Prior year restatement

In the prior year, the 50% interest in Neath Retail LLP was carried at cost. As set out above, the company now considers that interests in limited liability partnerships should be accounted for under the equity method of accounting. This has had no net effect on the net asset position as at 31 December 2008 nor on reported results.

3 Operating loss

This has been arrived at by taking the company's share of the operating loss in its associated undertaking, Neath Retail LLP.

HVL Neath Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

4 Fixed asset investments

| | Investment in LLP £ |
|--|---------------------------|
| <i>Cost</i> | |
| At 1 January 2009 as previously stated | - |
| Prior year restatement (note 2) | 83,396 |
| | <hr/> |
| At 1 January 2009 as restated | 83,396 |
| Share of profit for the year | (16,440) |
| Distribution | - |
| | <hr/> |
| At 31 December 2009 | (16,440) |
| | <hr/> |
| <i>Net book value</i> | |
| At 31 December 2009 | 66,956 |
| | <hr/> |
| At 31 December 2008 as restated | 83,396 |
| | <hr/> |

The company holds a 50% interest in Neath Retail LLP

5 Creditors: amounts falling due within one year

| | 2009 £ | 2008 As restated £ |
|-----------------------------------|----------------|--------------------------|
| Amounts due to group undertakings | 701,009 | 696,858 |
| | <hr/> | <hr/> |
| | 701,009 | 696,858 |
| | <hr/> | <hr/> |

6 Share capital

| | Authorised 2009 £ | Authorised 2008 £ | Allotted, called up fully paid 2009 £ | Allotted, called up fully paid 2008 £ |
|-----------------------------|-------------------------|-------------------------|---|---|
| <i>Equity share capital</i> | | | | |
| Ordinary shares of £1 each | 100 | 100 | 1 | 1 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

HVL Neath Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

7 Reserves

| | Profit and loss £ | Revaluation reserve in equity accounted investment £ |
|---------------------|-------------------------|---|
| At 1 January 2009 | (50,578) | (562,885) |
| Loss for the year | (20,591) | - |
| | <hr/> | <hr/> |
| At 31 December 2009 | (71,169) | (562,885) |
| | <hr/> | <hr/> |

8 Reconciliation of movements in shareholders' funds

| | 2009 £ | 2008 £ |
|---------------------------------------|-----------------|-----------------|
| Loss for the year | (20,591) | (11,330) |
| Revaluation of investment properties | - | (562,885) |
| | <hr/> | <hr/> |
| Net increase in shareholders' deficit | (20,591) | (574,215) |
| Opening shareholders' deficit | (50,577) | (39,247) |
| | <hr/> | <hr/> |
| Closing shareholders' deficit | (71,168) | (50,577) |
| | <hr/> | <hr/> |

9 Related party disclosures

Included within amounts due to group undertakings is a balance of £701,009 (2008 - £696,858) due to Harris Ventures Limited the parent company

10 Ultimate controlling party

The company is a wholly owned subsidiary of Harris Ventures Limited, a company incorporated in England and Wales

The ultimate controlling party is considered to be Lord Hams of Peckham, by virtue of his interest in the Harris Ventures Limited