

Registered Number: 1670844

HARRIS FINANCE (GRAYS) LIMITED

DIRECTORS' REPORT

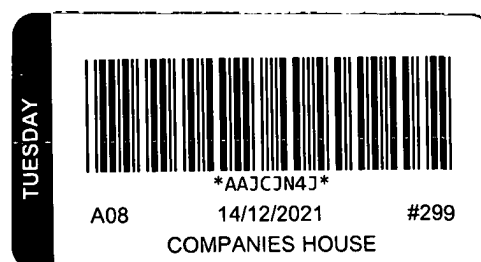
AND

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED

31ST MARCH 2021



HARRIS FINANCE (GRAYS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

DIRECTORS:	D.E. Van der Wiel P.J. Greenyer F.D. Harris J.D. Selway F.E. Harlow P. Harlow
SECRETARY:	P. Harlow
REGISTERED NUMBER:	1670844
REGISTERED OFFICE:	601 London Road West Thurrock Grays Essex RM20 4AU
BANKERS:	Barclays Bank plc 9 High Street Grays Essex RM17 6NL
REGISTERED AUDITORS:	Rowland Hall Chartered Certified Accountants 44/54 Orsett Road Grays Essex RM17 5ED

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HARRIS FINANCE (GRAYS) LIMITED**DIRECTORS' REPORT**

The directors submit their report and the financial statements of the company for the year ended 31st March 2021.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of providing financial services.

The registered number of the company is 1670844.

REVIEW OF THE BUSINESS

A summary of the results for the year is given on page 6 of the financial statements.

Both the level of business and the year-end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS

The retained profit of the company for the year was £24,399 (2020: £56,299).

The directors recommend that this be added to the retained earnings at the beginning of the year and that the balance of £637,948 be carried forward.

The directors do not recommend the payment of any dividends for the year.

STRATEGIC REPORT

The company is technically entitled to claim small company exemption disclosures and has therefore opted to exclude a strategic report from these financial statements.

FUTURE DEVELOPMENTS

A more detailed and comprehensive operating and financial review of the company and group's activities in accordance with SI2005 1011 is contained within the consolidated and publicly available financial statements of Harris Holdings (Grays) Limited, the ultimate parent company of Harris Finance (Grays) Limited.

FIXED ASSETS

The movements in fixed assets are set out in note 7 to the financial statements.

DIRECTORS

The directors of the company, none of whom had any interest in the shares of the company, were:-

D.E. Van der Wiel
P.J. Greenyer
F.D. Harris
J.D. Selway
F.E. Harlow
P. Harlow

The company's Articles of Association do not require the directors to retire by rotation.

AUDITORS

In accordance with the company's articles a resolution proposing that Rowland Hall be reappointed as auditor of the company will be put at a general meeting.

HARRIS FINANCE (GRAYS) LIMITED**DIRECTORS' REPORT**
(CONTINUED)**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). 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 estimates that are reasonable and prudent;
- 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 to 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board on 10th December 2021
and signed on its behalf by



P. J. HARLOW
Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE
MEMBERS OF HARRIS FINANCE (GRAYS) LIMITED

OPINION

We have audited the financial statements of Harris Finance (Grays) Limited (the 'company') for the year ended 31st March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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 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.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE
MEMBERS OF HARRIS FINANCE (GRAYS) LIMITED
(CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Obtaining an understanding of the legal and regulatory frameworks applicable to the entity including, but not limited to, the Companies Act 2006, The Financial Reporting Standard 102 and UK Tax Legislation and considering the culture and control environment of the organisation.
- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Review of legal costs to ascertain the nature of the costs and possible related non-compliance.
- Performing audit work over the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

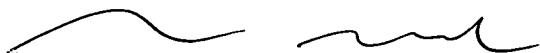
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

REPORT OF THE INDEPENDENT AUDITORS TO THE
MEMBERS OF HARRIS FINANCE (GRAYS) LIMITED
(CONTINUED)

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.



Dean Matthew Flood (Senior Statutory Auditor)
For and on behalf of Rowland Hall Statutory Auditor
Chartered Certified Accountants

44/54 Orsett Road
Grays
Essex
RM17 5ED

13th December 2021

HARRIS FINANCE (GRAYS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Note</u>	<u>2021</u> £	<u>2020</u> £
TURNOVER	3	114,802	710,567
Cost of Sales		(29,995)	(587,149)
GROSS PROFIT		84,807	123,418
ADMINISTRATIVE EXPENSES		(53,447)	(53,452)
OPERATING PROFIT	4	31,360	69,966
PROFIT BEFORE TAXATION		31,360	69,966
TAXATION	6	(6,961)	(13,667)
PROFIT FOR THE FINANCIAL YEAR		24,399	56,299
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>£24,399</u></u>	<u><u>£56,299</u></u>

All the company's operations are classified as continuing.

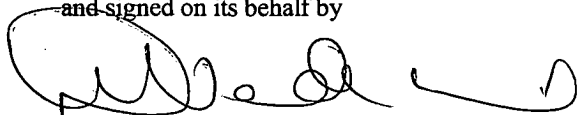
The company has no recognised gains or losses other than the profits for the two years ended 31st March 2021.

The financial statements are prepared using the historical cost basis.

HARRIS FINANCE (GRAYS) LIMITED**BALANCE SHEET**
AS AT 31ST MARCH 2021

	<u>Note</u>	£	<u>2021</u> £	£	<u>2020</u> £
FIXED ASSETS					
Tangible Assets	7		63,154		83,521
CURRENT ASSETS					
Debtors					
Due less than one year	8	451,659		505,026	
Due after one year	8	1,074,621		1,505,675	
Cash at Bank		2,908		3,485	
		<u>1,529,188</u>		<u>2,014,186</u>	
CREDITORS – amounts falling due within one year	9	<u>(291,699)</u>		<u>(488,536)</u>	
NET CURRENT ASSETS			<u>1,237,489</u>		<u>1,525,650</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,300,643		1,609,171
CREDITORS – amounts falling due after more than one year	10		<u>(659,656)</u>		<u>(992,583)</u>
NET ASSETS			<u><u>£640,987</u></u>		<u><u>£616,588</u></u>
CAPITAL AND RESERVES					
Called up Share Capital	12		10,000		10,000
Profit and Loss Account			<u>630,987</u>		<u>606,588</u>
TOTAL EQUITY			<u><u>£640,987</u></u>		<u><u>£616,588</u></u>

Approved and authorised for issue by the Board on 10th December 2021
and signed on its behalf by



D.E. VAN DER WIEL, Director



P. HARLOW, Director

Company Registration No: 1670844

HARRIS FINANCE (GRAYS) LIMITED**STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 31ST MARCH 2021

	Share <u>Capital</u> £	Profit and Loss <u>Reserves</u> £	<u>Total</u> £
BALANCE AT 1ST APRIL 2019	<u>10,000</u>	<u>550,289</u>	<u>560,289</u>
YEAR ENDED 31ST MARCH 2020:			
Profit and Total Comprehensive Income for the Year	<u>-</u>	<u>56,299</u>	<u>56,299</u>
BALANCE AT 31ST MARCH 2020	<u>10,000</u>	<u>606,588</u>	<u>616,588</u>
YEAR ENDED 31ST MARCH 2021:			
Profit and Total Comprehensive Income for the Year	<u>-</u>	<u>24,399</u>	<u>24,399</u>
BALANCE AT 31ST MARCH 2021	<u>£10,000</u>	<u>£630,987</u>	<u>£640,987</u>

HARRIS FINANCE (GRAYS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST MARCH 2021**

1. ACCOUNTING POLICIES

Company Information

Harris Finance (Grays) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 601 London Road, West Thurrock, Grays, Essex, RM20 4AU.

1.1 Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Harris Holdings (Grays) Limited. These consolidated financial statements are available from its registered office, 601 London Road, West Thurrock, Grays, Essex, RM20 4AU.

1.2 Going Concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover consists of the sale of goods under finance excluding Value Added Tax and income from commercial loans, operating leases and finance arrangements.

HARRIS FINANCE (GRAYS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021
(CONTINUED)

1.4 Tangible Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:-

Motor Vehicles - 25% on a straight line basis to a determined residual value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of Fixed Assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

HARRIS FINANCE (GRAYS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021
(CONTINUED)

1.7 Financial Instruments (continued)

Basic Financial Assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other Financial Assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of Financial Assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

HARRIS FINANCE (GRAYS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021
(CONTINUED)

1.7 Financial Instruments (continued)

Other Financial Liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 119 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Profit and Loss Account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

HARRIS FINANCE (GRAYS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH 2021
(CONTINUED)**3. TURNOVER AND OTHER REVENUE**

An analysis of the company's turnover is as follows:-

	<u>2021</u>	<u>2020</u>
	£	£
Turnover:-		
Sales and Hire of Goods under Finance	55,574	610,756
Trading Income from Commercial Loans	48,936	95,145
Sundry Income	10,292	4,666
	<u>£114,802</u>	<u>£710,567</u>
Turnover Analysed by Geographical Market:-		
Sales to United Kingdom	<u>£114,802</u>	<u>£710,567</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):-

Auditors' Remuneration:-

Audit Fees	£2,000	£2,000
Non Audit Fees	£1,000	£1,000
Depreciation of Owned Tangible Fixed Assets	<u>£20,367</u>	<u>£20,367</u>

5. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was as follows:

	<u>2021</u>	<u>2020</u>
	Number	Number
Directors	<u>6</u>	<u>6</u>
	<u>6</u>	<u>6</u>

HARRIS FINANCE (GRAYS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH 2021
(CONTINUED)

6. TAXATION	<u>2021</u>	<u>2020</u>
	£	£
Current Tax:-		
UK Corporation Tax on profits of the current period	£6,961	£13,667
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:-

Profit before Taxation	£31,360	£69,966
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2020: 19%)	5,958	13,294
Notional Deferred Tax	1,003	373
	<u> </u>	<u> </u>
Taxation for the Year	£6,961	£13,667
	<u> </u>	<u> </u>

7. TANGIBLE FIXED ASSETS	Motor Vehicles
COST	
At 31 st March 2020	127,305
Additions	-
	<u> </u>
At 31 st March 2021	£127,305
	<u> </u>
DEPRECIATION	
At 31 st March 2020	43,784
Charge for the Year	20,367
	<u> </u>
At 31 st March 2021	£64,151
	<u> </u>
NET BOOK VALUE AT 31 ST MARCH 2021	£63,154
	<u> </u>
NET BOOK VALUE AT 31 ST MARCH 2020	£83,521
	<u> </u>

HARRIS FINANCE (GRAYS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH 2021
(CONTINUED)

8. DEBTORS	<u>2021</u>	<u>2020</u>
	£	£
Amounts falling due within one year:-		
Trade Debtors	167,315	224,387
Amounts due from Group Companies	284,344	278,417
Other Debtors	-	2,222
	<u>£451,659</u>	<u>£505,026</u>
Amounts falling due after more than one year:-		
Trade Debtors	480,043	624,299
Amounts due from Group Companies	594,578	881,376
	<u>£1,074,621</u>	<u>£1,505,675</u>
Total Debtors	<u>£1,526,280</u>	<u>£2,010,701</u>

The amount owed by group companies relates to loans to Harris Holdings (Grays) Limited. The loans are repayable over ten years and interest receivable on the loans during the year amounted to £19,082 (2020: £35,717).

9. CREDITORS - amounts falling due within one year

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		£	£
Bank Overdraft and Loans	10	284,344	278,417
Trade Creditors		-	196,058
Corporation Tax		6,961	13,667
Taxation and Social Security		394	394
		<u>£291,699</u>	<u>£488,536</u>

10. CREDITORS – amounts falling due after more than one year

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		£	£
Bank Loans	10	<u>£659,656</u>	<u>£992,583</u>

Of the above amount £nil is due for settlement after 5 years. These loans reflect borrowings by Harris Finance (Grays) Limited from a pooled deposit fund for Harris Holdings (Grays) Limited and its subsidiary companies. Due to the historically low interest yield from those funds the group does not charge interest to Harris Finance (Grays) Limited for access to those funds.

HARRIS FINANCE (GRAYS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021
(CONTINUED)

11. LOANS AND OVERDRAFTS	<u>2021</u>	<u>2020</u>
	£	£
Bank Loans	£944,000	£1,271,000
	<u> </u>	<u> </u>
Payable within one year	£284,344	£278,417
	<u> </u>	<u> </u>
Payable after one year	£659,656	£992,583
	<u> </u>	<u> </u>
 12. SHARE CAPITAL	 <u>2021</u>	 <u>2020</u>
	£	£
Ordinary Share Capital Issued and Fully Paid:- 10,000 Ordinary Shares of £1 each	 £10,000	 £10,000
	<u> </u>	<u> </u>

13. RELATED PARTY TRANSACTIONS

No guarantees have been given or received.

Advantage is taken of the exemption to disclose intra-group transactions with wholly-owned subsidiaries. As at the year end all group companies are 100% owned by the ultimate parent company which prepares publicly available and consolidated financial statements.

During the year the company provided loans to Mr J D Selway, a director of the company. The maximum balance outstanding on these loans during the year was £329,170 and the amount outstanding at the year end was £288,246. The loans were provided under normal commercial lending terms.

14. CONTROLLING PARTY

The company is a wholly-owned subsidiary of Harris Holdings (Grays) Limited, a company registered in England. The registered office address of Harris Holdings (Grays) Limited is 601 London Road, West Thurrock, Grays, Essex, RM20 4AU.

The company has no overall controlling party.