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COMPANY REGISTRATION NUMBER FC16180

# HALLEY INVESTMENT COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS

31 DECEMBER 2010

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**HALLEY INVESTMENT COMPANY LIMITED**

**Officers and professional advisers**

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**The board of directors**

Viscount Petersham  
M J W Scriven

**Company secretary**

J R Leitch

**Registered office**

Cedar House  
41 Cedar Avenue  
Hamilton  
Bermuda

**HALLEY INVESTMENT COMPANY LIMITED**

**Profit and loss account**

**Year ended 31 December 2010**

	Note	2010 £	2009 £
Turnover	1	4,000	6,000
Administrative expenses		<u>57,757</u>	<u>(9,932)</u>
Operating profit/(loss)	2	61,757	(3,932)
Income from shares in group undertakings	3	500,000	-
Interest payable and similar charges	4	(9,555)	(9,555)
Profit/(loss) on ordinary activities before taxation		<u>552,202</u>	<u>(13,487)</u>
Tax on profit/(loss) on ordinary activities	5	(2,850)	-
Profit/(loss) for the financial year		<u>549,352</u>	<u>(13,487)</u>

The accounting policies and notes on pages 4 to 10 form part of these unaudited financial statements.

HALLEY INVESTMENT COMPANY LIMITED

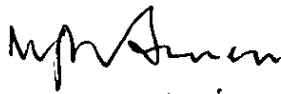
Balance sheet

31 December 2010

	Note	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	7		160,000		160,000
Investments	8		70,758		70,758
			<u>230,758</u>		<u>230,758</u>
<b>Current assets</b>					
Debtors	9	1,340,118		1,273,118	
Cash at bank		841		3,433	
		<u>1,340,959</u>		<u>1,276,551</u>	
<b>Creditors: Amounts falling due within one year</b>	10	<u>(364,293)</u>		<u>(358,792)</u>	
<b>Net current assets</b>			<u>976,666</u>		<u>917,759</u>
<b>Total assets less current liabilities</b>			<u>1,207,424</u>		<u>1,148,517</u>
<b>Creditors: Amounts falling due after more than one year</b>	11		<u>(91,000)</u>		<u>(91,000)</u>
			<u>1,116,424</u>		<u>1,057,517</u>
<b>Capital and reserves</b>					
Called-up equity share capital	13		6,750		6,750
Revaluation reserve	14		140,000		140,000
Profit and loss account	15		969,674		910,767
<b>Shareholders' funds</b>			<u>1,116,424</u>		<u>1,057,517</u>

These unaudited financial statements have been prepared in accordance with the special provisions for small companies under Part 34 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These unaudited financial statements were approved by the directors and authorised for issue on 21 September 2011, and are signed on their behalf by



M J W Scriven  
Director

Company Registration Number FC16180

The accounting policies and notes on pages 4 to 10 form part of these unaudited financial statements

# HALLEY INVESTMENT COMPANY LIMITED

## Accounting policies

Year ended 31 December 2010

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### Basis of accounting

The unaudited financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

### Turnover

Turnover represents invoiced amounts for rents receivable during the year, excluding value added tax

### Fixed assets

All fixed assets are initially recorded at cost

### Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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Accounting policies *(continued)*

Year ended 31 December 2010

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**Financial instruments**

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

**HALLEY INVESTMENT COMPANY LIMITED**

**Notes to the unaudited financial statements**

**Year ended 31 December 2010**

**1. Turnover**

Turnover and profit before taxation arise directly from the principal activity and are generated in the United Kingdom in the ordinary course of business

**2. Operating profit/(loss)**

Operating profit/(loss) is stated after charging/(crediting)

	2010 £	2009 £
Profit on disposal of fixed assets	(85,000)	-
Net loss/(profit) on foreign currency translation	<u>8</u>	<u>(620)</u>

**3. Income from shares in group undertakings**

	2010 £	2009 £
Income from group undertakings	<u>500,000</u>	<u>-</u>

**4. Interest payable and similar charges**

	2010 £	2009 £
Other interest and similar charges	<u>9,555</u>	<u>9 555</u>

**5. Taxation on ordinary activities  
Analysis of charge in the year**

	2010 £	2009 £
Current tax		
UK Corporation tax based on the results for the year at 21% (2009 - --%)	<u>2,850</u>	<u>-</u>
Total current tax	<u>2,850</u>	<u>-</u>

The company has surplus management expenses to carry forward of approximately £nil (2009 - £35,000)

**6. Dividends**

**Equity dividends**

	2010 £	2009 £
Paid		
Equity dividends paid on ordinary shares	<u>500,000</u>	<u>-</u>

-----**HALLEY INVESTMENT COMPANY LIMITED**-----

**Notes to the unaudited financial statements**

**Year ended 31 December 2010**

**7. Tangible fixed assets**

	<b>Freehold investment property £</b>
<b>Cost or valuation</b>	
<b>At 1 January 2010 and 31 December 2010</b>	<u><b>160,000</b></u>
<b>Net book value</b>	
<b>At 31 December 2010</b>	<u><b>160,000</b></u>
<b>At 31 December 2009</b>	<u><b>160,000</b></u>

The freehold investment property was valued by the directors on 31 December 2010 at £160,000 on the basis of open market value

**8 Investments**

**Investment in subsidiary undertakings**

	<b>£</b>
<b>Cost</b>	
<b>At 1 January 2010 and 31 December 2010</b>	<u><b>70,758</b></u>
<b>Net book value</b>	
<b>At 31 December 2010 and 31 December 2009</b>	<u><b>70,758</b></u>

The company owns 100% of the ordinary share capital of Elvaston Investments Limited a company incorporated in Great Britain and registered in England and Wales

**9. Debtors**

	<b>2010 £</b>	<b>2009 £</b>
Trade debtors	-	12 000
Amounts owed by group undertakings	<b>1,311,836</b>	<b>1,232,836</b>
The Stanhope Trust	<b>28,282</b>	<b>28 282</b>
	<u><b>1,340,118</b></u>	<u><b>1 273 118</b></u>

The debtors above include the following amounts falling due after more than one year

	<b>2010 £</b>	<b>2009 £</b>
Amounts owed by group undertakings	<u><b>1,311,836</b></u>	<u><b>1,232 836</b></u>



**HALLEY INVESTMENT COMPANY LIMITED**

**Notes to the unaudited financial statements**

**Year ended 31 December 2010**

**10 Creditors: Amounts falling due within one year**

	2010	2009
	£	£
Amounts owed to group undertakings	165,040	162,540
Other creditors including taxation		
Amounts due to related undertakings	192,802	192,802
Corporation tax	2,850	-
Accruals and deferred income	3,601	3,450
	<u>364,293</u>	<u>358,792</u>

**11 Creditors. Amounts falling due after more than one year**

	2010	2009
	£	£
Shares classed as financial liabilities	<u>91,000</u>	<u>91,000</u>

**12 Related party transactions**

The Stanhope Trust owns all of the allotted ordinary share capital of the company Throughout the current and previous year, The Earl of Harrington had a beneficial interest in all of the allotted ordinary share capital through The Stanhope Trust, of which he is sole life tenant

Included in debtors is an amount due from a subsidiary company. Elvaston Investments Limited, of £1,311,836 (2009 - £1,232,836) This amount is not due for repayment before 31 December 2011 and is interest free

Included in creditors are amounts due to group undertakings. Stanhope Hotels Limited, of £162,540 (2009 - £162,540) and Elvaston Properties Limited, of £2,500 (2009 - £nil)

Included in creditors are the following amounts due to related parties Doublard Investment Company Limited - £37,848 (2009 - £37,848) The Chesterfield Trust - £149,744 (2009 - £149,744) and Stanhope Gardens Limited - £5,210 (2009 - £5,210)

All creditor balances are payable within one year and are interest free

The Earl of Harrington had a beneficial interest in all the issued share capital of Doublard Investment Company Limited and Stanhope Gardens Limited as sole life tenant of The Chesterfield Trust

**13. Share capital**

**Authorised share capital:**

	2010		2009	
	No	£	No	£
6 750 Ordinary shares of £1 each	6,750	6,750	6,750	6,750
91,000 Net 10 5% non redeemable cumulative preference shares of £1 each	<u>91,000</u>	<u>91,000</u>	<u>91,000</u>	<u>91,000</u>
	<u>97,750</u>	<u>97,750</u>	<u>97,750</u>	<u>97,750</u>

# HALLEY INVESTMENT COMPANY LIMITED

## Notes to the unaudited financial statements

Year ended 31 December 2010

### 13. Share capital *(continued)*

Allotted, called up and fully paid:

	2010	2009
<b>Amounts presented in equity:</b>	<b>£</b>	<b>£</b>
6,750 Ordinary shares of £1 each	<u>6,750</u>	<u>6,750</u>
<b>Amounts presented in liabilities:</b>		
91,000 Net 10 5% non redeemable cumulative preference shares of £1 each	<u>91,000</u>	<u>91,000</u>

The dividend on the above preference shares is 26 years (2009 - 25) in arrears, amounting to £248,430 (2009 - £238,875)

The respective rights of the different classes of share capital are as follows

#### **Dividends**

Dividends shall be applied in the following manner and priority

- 1) Preference shares to receive a 10 5% dividend per annum together with any arrears, and
- 2) Any further dividends shall be paid to ordinary shareholders

#### **Winding up**

On a winding up the surplus assets available to shareholders shall be applied in the following manner and priority

- 1) Repayment of capital to preference shareholders and
- 2) Any balance shall be paid to ordinary shareholders

#### **Voting**

Preference shareholders have no voting rights, other than on a winding up or at a meeting called to reduce the share capital of the company, at which they have equal voting rights with ordinary shareholders. Ordinary shareholders have voting rights in all circumstances

### 14. Revaluation reserve

There was no movement on the revaluation reserve during the financial year

Notes to the unaudited financial statements

Year ended 31 December 2010

15 Profit and loss account

	2010	2009
	£	£
Balance brought forward	910,767	914 699
Profit/(loss) for the financial year	549,352	(13,487)
Equity dividends	(500,000)	—
Non-equity appropriation	9,555	9 555
Balance carried forward	<u>969,674</u>	<u>910.767</u>

The non-equity appropriation has been credited to the profit and loss account

16. Analysis of shareholders' funds

Equity shareholders' interests at the end of the financial year are £867,994 (2009 - £818,642)

Non-equity shareholders' interests at the end of the financial year are £339,430 (2009 - £329,875)