

The directors present their report and accounts for the year ended 30 June 2011

**Principal activities**

The company's principal activity during the year continued to be that of property investment  
The company receives rental income The company is a wholly owned subsidiary of  
Kallha Property Investments Limited, a company registered in England

**Domiciled and legal form**

The company is a limited company domiciled in the United Kingdom and incorporated in England and Wales  
Its principal place of business is 12 Norwood Road, Southall, Middlesex UB2 4DL

**Directors**

The following persons served as directors during the year

Mr D S Kallha  
Mr K S Kallha

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act  
2006 applicable to companies subject to the small companies regime

This report was approved by the board on 25 April 2012

D S Kallha  
Director

*D. S. Kallha*



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COMPANIES HOUSE

**HIONER INVESTMENTS LIMITED**  
**Statement of comprehensive income for the year to 30 June 2011**

	Notes	2011	2010
		£	£
<b>Rental revenue</b>		<u>324,891</u>	<u>315,339</u>
Property costs		109,458	101,368
Other expenses		15,403	47,339
Depreciation		<u>25,649</u>	<u>32,237</u>
<b>Total</b>		<u>150,510</u>	<u>180,944</u>
Operating profit		174,381	134,395
Interest receivable		85	3,232
Finance costs	3	<u>(20,204)</u>	<u>(28,039)</u>
<b>Profit before tax</b>		154,262	109,588
Tax expense	4	<u>(34,657)</u>	<u>(29,298)</u>
<b>Profit and total comprehensive income for the year</b>		<u>119,605</u>	<u>80,290</u>

**HIONER INVESTMENTS LIMITED**  
**Statement of financial position as at 30 June 2011**

	Notes	2011 £	2010 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	5	1,312	1,750
Investment property	5	<u>1,592,884</u>	<u>2,270,289</u>
		<u>1,594,196</u>	<u>2,272,039</u>
<b>Current assets</b>			
Trade and other receivables	6	18,582	19,379
Cash and cash equivalents		<u>68,472</u>	<u>58,162</u>
		<u>87,054</u>	<u>77,541</u>
<b>Total assets</b>		<u>1,681,250</u>	<u>2,349,580</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		100	100
Retained earnings		<u>1,337,879</u>	<u>1,218,274</u>
<b>Total equity</b>		<u>1,337,979</u>	<u>1,218,374</u>
<b>Non-current liabilities</b>			
Long-term borrowings	7,11	<u>218,602</u>	<u>871,805</u>
<b>Current liabilities</b>			
Trade and other payables	8	16,164	80,827
Short-term borrowings	9	73,848	136,157
Current tax payable	10	<u>34,657</u>	<u>42,417</u>
<b>Total current liabilities</b>		<u>124,669</u>	<u>259,401</u>
<b>Total liabilities</b>		<u>343,271</u>	<u>1,131,206</u>
<b>Total equity and liabilities</b>		<u>1,681,250</u>	<u>2,349,580</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that members have not required the company to obtain an audit in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2012

D S Kallha  
 Director

*D - S Kallha*



**HIONER INVESTMENTS LIMITED**  
**Statement of changes in equity as at 30 June 2011**

	Share capital £	Retained earnings £	Total equity £
<b>Balance at 30 June 2009</b>	100	1,243,984	1,244,084
Total comprehensive income for the period		80,290	80,290
Dividends		<u>(106,000)</u>	<u>(106,000)</u>
<b>Balance at 30 June 2010</b>	100	1,218,274	1,218,374
Total comprehensive income for the period		<u>119,605</u>	<u>119,605</u>
<b>Balance at 30 June 2011</b>	<u>100</u>	<u>1,337,879</u>	<u>1,337,979</u>

**HIONER INVESTMENTS LIMITED**

Statement of cash flows for the year to 30 June 2011

	2011 £	2010 £
<b>Cash flows from operating activities</b>		
Cash receipts from rents	320,806	319,692
Interest received	85	3,232
Cash paid to suppliers of goods and services	<u>(129,355)</u>	<u>(153,085)</u>
Cash generated from operations	<u>191,536</u>	<u>169,839</u>
Interest paid	(23,909)	(27,155)
Taxation paid	(34,644)	(77,017)
Dividends paid	<u>0</u>	<u>(106,000)</u>
	<u>(58,553)</u>	<u>(210,172)</u>
Net cash inflow/(outflow) from operating activities	<u>132,983</u>	<u>(40,333)</u>
<b>Cash flows from financing activities</b>		
Loans received	998,144	58,565
Repayment of long-term borrowings	<u>(1,713,656)</u>	<u>(136,156)</u>
Net cash inflow/(outflow) from financing activities	<u>(715,512)</u>	<u>(77,591)</u>
<b>Cash flows from investing activities</b>		
Disposal of property	652,194	0
Loan to directors repaid	0	111,683
Loan from directors repaid	(51,632)	0
Loan to directors	(7,723)	0
Loan to holding company repaid	<u>0</u>	<u>19,067</u>
Net cash inflow/(outflow) from investing activities	<u>592,839</u>	<u>130,750</u>
Net (decrease)/increase in cash and cash equivalents	10,310	12,826
Cash and cash equivalents at 1 July 2010	<u>58,162</u>	<u>45,336</u>
Cash and cash equivalents at 30 June 2011	<u><u>68,472</u></u>	<u><u>58,162</u></u>

Note

Cash and Cash equivalents comprise

Cash at Bank	<u>68,472</u>	<u>58,162</u>
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**HIONER INVESTMENTS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2011**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with international financial reporting standards

***Investment Properties***

Investment properties are included on the basis of the cost model less any provision for impairment and less depreciation

***Revenue***

Revenue represents the value of rents receivable Rents are included on an accruals basis and are recovered in accordance with rental agreements

***Depreciation***

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives

Plant and machinery	25% ( reducing balance method)
Investment property (buildings)	2% ( straight line method)

***Borrowing costs***

The company has incurred no borrowing costs in respect of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale Consequently all borrowing costs are recognised in profit or loss in the period in which they are incurred

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse

***Borrowings***

Borrowings are recognised at fair value, net of transaction costs incurred Borrowings are shown as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

***Financial assets and financial liabilities***

The company classifies its investments in property at amortised cost Trade receivables and payables are initially recognised at fair value and subsequently measured at amortised cost less any allowance for bad debts All other assets and liabilities are included at fair value

## 2 Financial risk management

The company's activities expose it to market risk, credit risk and liquidity risk

### **Market risk**

The company's investments of £1,592,884 (2010 £2,270,289) are susceptible to market price risk arising from uncertainties about future property values

The company's income of £324,891 (2010 £315,339) is susceptible to uncertainties about future rental values and interest rates

### **Credit risk**

The company is exposed to credit risk in respect of amounts due from tenants, £8,172 (2010 £11,059) and its cash at bank. No significant risk arises in respect of rents due or its bank balance which is held by a leading UK bank, £68,472 (2010 £58,162)

### **Liquidity risk**

The company's liquidity risk arises from its commitments to repay loans. During the year the company sold a property and significantly reduced its borrowings. It has the resources to cope with foreseeable liquidity risks

<b>3 Finance costs</b>	2011 £	2010 £
Interest payable	<u>20,204</u>	<u>28,039</u>
<b>4 Tax expense</b>	2011 £	2010 £
UK corporation tax	<u>34,657</u>	<u>29,298</u>
Tax reconciliation		
Profit on ordinary activities before tax	<u>154,262</u>	<u>109,607</u>
Profit on ordinary activities multiplied by the standard rate of UK Corporation tax	32,009	23,017
Effects of		
Expenses not deductible for tax purposes	874	2,932
Depreciation for the period in excess of capital allowances	1,774	3,349
Current tax on income for the period	<u><u>34,657</u></u>	<u><u>29,298</u></u>



## 5 Non current assets

	Investment properties £	Plant & Machinery £	Total £
<b>Cost</b>			
Balance at 1 July 2009 & 1 July 2010	2,633,461	18,061	2,651,522
Disposal	(714,326)	-	(714,326)
At 30 June 2010 & 30 June 2011	<u>1,919,135</u>	<u>18,061</u>	<u>1,937,196</u>
<b>Depreciation</b>			
At 1 July 2009	331,518	15,728	347,246
Charge for the year	31,654	583	32,237
At 30 June 2010	<u>363,172</u>	<u>16,311</u>	<u>379,483</u>
Charge for the year	23,082	438	23,520
On disposal	(60,003)	-	(60,003)
At 30 June 2011	<u>326,251</u>	<u>16,749</u>	<u>343,000</u>
<b>Net book value</b>			
At 30 June 2011	<u>1,592,884</u>	<u>1,312</u>	<u>1,594,196</u>
At 30 June 2010	<u>2,270,289</u>	<u>1,750</u>	<u>2,272,039</u>

The market value of investment properties as valued by Mr D S Kallha, a director of the company is £5,125,000 (2010 £5,782,342)

Rent receivable for the year amounted to £324,891 (2010 £315,339)

Operating expenses arising from the investment property that generated income in the period amounted to £99,312 (2010 £90,062)

Operating expenses arising from the investment property that did not generate income in the period amounted to £10,172 (2010 £11,306)

## 6 Trade and other receivables

	2011 £	2010 £
Trade receivables	8,172	11,059
Other receivables	10,410	8,320
	<u>18,582</u>	<u>19,379</u>

## 7 Long term borrowings

	2011 £	2010 £
Bank loans	<u>218,602</u>	<u>871,805</u>

<b>8 Trade and other payables</b>			2011 £	2010 £
Trade payables			3,416	10,388
Amounts owed to group undertakings and undertakings in which the company has a participating interest			6,933	6,933
Other payables			<u>5,815</u>	<u>63,506</u>
			<u>16,164</u>	<u>80,827</u>
<b>9 Short-term borrowings</b>			2011 £	2010 £
Bank loans and overdrafts			<u>73,848</u>	<u>136,157</u>
<b>10 Current tax payable</b>			2011 £	2010 £
Corporation tax			<u>34,657</u>	<u>42,417</u>
<b>11 Loans</b>			2011 £	2010 £
Payables include				
Amounts falling due for payment after more than five years			<u>-</u>	<u>437,024</u>
Secured bank loans			<u>292,450</u>	<u>1,007,962</u>
<b>12 Share capital</b>	2011 No	2,010 No	2011 £	2,010 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<b>13 Dividends</b>			2011 £	2010 £
Dividends for which the company became liable during the year				
Dividends paid			<u>-</u>	<u>106,000</u>

## 14 Related Parties

### Transactions with directors

During the year, the company rented properties to the directors at market value. The total rent due from these properties for the year was £40,000 (2010 £40,000). The company purchased goods & services from Kallha Brothers, a partnership between the directors, totalling £38,047 (2010 £36,306). The transactions were at arms length.

	2011 £	2010 £
The amounts due to/(from) the directors were		
Balance at 1 July 2010	51,632	(111,684)
Amounts drawn	(99,335)	(308,458)
	<u>(47,703)</u>	<u>(420,142)</u>
Amounts repaid	-	440,000
Work done and expenses reimbursed	39,980	31,774
	<u>39,980</u>	<u>471,774</u>
Balance at 30 June 2011	<u>(7,723)</u>	<u>51,632</u>

### Transactions with ultimate holding company

No dividend was paid to Kallha Property Investments Limited (2010 £106,000). The amount due to group undertakings, Kallha Property Investments Limited, at 30 June 2011 was £6,933 (2010 £6,933).

The company's ultimate holding company is Kallha Property Investments Limited.

Amount due to/(from) Kallha Property Investments Limited at 1 July 2010	6,933	(19,067)
Dividends paid	-	106,000
Amount received	-	(80,000)
Amount due to/(from) Kallha Property Investments Limited at 30 June 2011	<u>6,933</u>	<u>6,933</u>