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COMPANY REGISTRATION NUMBER FC016180

HALLEY INVESTMENT COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS

31 DECEMBER 2011

SATURDAY



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22/09/2012

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COMPANIES HOUSE

HALLEY INVESTMENT COMPANY LIMITED

Officers and professional advisers

The board of directors

Viscount Petersham
M J W Scriven

Company secretary

D Stevens

Registered office

Cedar House
20 Parliament Street
Hamilton HM12
Bermuda

Accountants

Robertshaw Myers
Chartered Accountants
Number 3
Acorn Business Park
Keighley Road
Skipton
North Yorkshire
BD23 2UE

HALLEY INVESTMENT COMPANY LIMITED

Profit and loss account

Year ended 31 December 2011

| | Note | 2011 £ | 2010 £ |
|--|------|-----------------|-----------------|
| Turnover | 1 | 4,000 | 4,000 |
| Administrative expenses | | (16,566) | (27,243) |
| Operating loss | 2 | (12,566) | (23,243) |
| Profit on disposal of fixed assets | | 278,541 | 85,000 |
| Income from shares in group undertakings | 3 | 370,000 | 500,000 |
| Interest payable and similar charges | 4 | (29,120) | (9,555) |
| Profit on ordinary activities before taxation | | 606,855 | 552,202 |
| Tax on profit on ordinary activities | 5 | (52,981) | (2,850) |
| Profit for the financial year | | 553,874 | 549,352 |

The accounting policies and notes on pages 5 to 11 form part of these unaudited financial statements

HALLEY INVESTMENT COMPANY LIMITED

Balance sheet

31 December 2011

| | Note | £ | 2011 £ | £ | 2010 £ |
|--|------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 160,000 | | 160,000 |
| Investments | 8 | | 70,758 | | 70,758 |
| | | | <u>230,758</u> | | <u>230,758</u> |
| Current assets | | | | | |
| Debtors | 9 | 1,158,880 | | 1,340,118 | |
| Cash at bank | | 133,183 | | 841 | |
| | | <u>1,292,063</u> | | <u>1,340,959</u> | |
| Creditors: Amounts falling due within one year | 10 | <u>(252,403)</u> | | <u>(364,293)</u> | |
| Net current assets | | | <u>1,039,660</u> | | <u>976,666</u> |
| Total assets less current liabilities | | | <u>1,270,418</u> | | <u>1,207,424</u> |
| Creditors: Amounts falling due after more than one year | 11 | | <u>(91,000)</u> | | <u>(91,000)</u> |
| | | | <u>1,179,418</u> | | <u>1,116,424</u> |
| Capital and reserves | | | | | |
| Called-up equity share capital | 13 | | 6,750 | | 6,750 |
| Revaluation reserve | 14 | | 140,000 | | 140,000 |
| Profit and loss account | 15 | | 1,032,668 | | 969,674 |
| Shareholder's funds | | | <u>1,179,418</u> | | <u>1,116,424</u> |

The Balance sheet continues on the following page
The accounting policies and notes on pages 5 to 11 form part of these unaudited financial statements

HALLEY INVESTMENT COMPANY LIMITED

Balance sheet *(continued)*

31 December 2011

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the unaudited financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing unaudited financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to unaudited financial statements, so far as applicable to the company

These unaudited financial statements have been prepared in accordance with the special provisions for small companies under Part 15 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 20 September 2012, and are signed on their behalf by



M J W Scriven
Director

Company Registration Number FC016180

The accounting policies and notes on pages 5 to 11 form part of these unaudited financial statements.

HALLEY INVESTMENT COMPANY LIMITED

Accounting policies

Year ended 31 December 2011

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)

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

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.

HALLEY INVESTMENT COMPANY LIMITED

Accounting policies *(continued)*

Year ended 31 December 2011

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.

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 2011

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 loss

Operating loss is stated after charging

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| Net loss on foreign currency translation | <u>—</u> | <u>8</u> |

3. Income from shares in group undertakings

| | 2011 £ | 2010 £ |
|--------------------------------|----------------|----------------|
| Income from group undertakings | <u>370,000</u> | <u>500,000</u> |

4. Interest payable and similar charges

| | 2011 £ | 2010 £ |
|------------------------------------|---------------|--------------|
| Other interest and similar charges | <u>29,120</u> | <u>9,555</u> |

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

| | 2011 £ | 2010 £ |
|--|---------------|--------------|
| Current tax | | |
| UK Corporation tax based on the results for the year at 26% (2010 - 21%) | 53,000 | 2,850 |
| Over/under provision in prior year | (19) | - |
| Total current tax | <u>52,981</u> | <u>2,850</u> |

6. Dividends Equity dividends

| | 2011 £ | 2010 £ |
|--|----------------|----------------|
| Paid | | |
| Equity dividends paid on ordinary shares | <u>151,450</u> | <u>500,000</u> |

HALLEY INVESTMENT COMPANY LIMITED

Notes to the unaudited financial statements

Year ended 31 December 2011

7. Tangible fixed assets

| | Freehold investment property £ |
|--|--------------------------------------|
| Cost or valuation | |
| At 1 January 2011 and 31 December 2011 | <u>160,000</u> |
| Net book value | |
| At 31 December 2011 | <u>160,000</u> |
| At 31 December 2010 | <u>160,000</u> |

The freehold investment property was valued by the directors on 31 December 2011 at £160,000 on the basis of open market value

8. Investments

| | Investment in subsidiary undertakings £ |
|--|---|
| Cost | |
| At 1 January 2011 and 31 December 2011 | <u>70,758</u> |
| Net book value | |
| At 31 December 2011 and 31 December 2010 | <u>70,758</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

| | 2011 £ | 2010 £ |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | 1,115,673 | 1,311,836 |
| The Stanhope Trust | 35,207 | 28,282 |
| Prepayments and accrued income | 8,000 | - |
| | <u>1,158,880</u> | <u>1,340,118</u> |

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

| | 2011 £ | 2010 £ |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | <u>1,115,673</u> | <u>1,311,836</u> |

HALLEY INVESTMENT COMPANY LIMITED

Notes to the unaudited financial statements

Year ended 31 December 2011

10. Creditors: Amounts falling due within one year

| | 2011 | 2010 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts owed to group undertakings | 2,500 | 165,040 |
| Other creditors including taxation | | |
| Amounts due to related undertakings | 192,802 | 192,802 |
| Corporation tax | 53,000 | 2,850 |
| Accruals and deferred income | 4,101 | 3,601 |
| | <u>252,403</u> | <u>364,293</u> |

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

| | 2011 | 2010 |
|---|---------------|---------------|
| | £ | £ |
| 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 £1,115,673 (2010 - £1,311,836). This amount is not due for repayment before 31 December 2012 and is interest-free.

Included in other debtors is an amount due from The Stanhope Trust of £35,207 (2010 - £28,282). This amount is interest free and repayable in on demand.

Included in creditors are amounts due to group undertakings, Stanhope Hotels Limited, of £162,540 (2010 - £162,540) and Elvaston Properties Limited, of £2,500 (2010 - £2,500).

Included in creditors are the following amounts due to related parties: Doublard Investment Company Limited - £37,848 (2010 - £37,848), The Chesterfield Trust - £149,744 (2010 - £149,744) and Stanhope Gardens Limited - £5,210 (2010 - £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.

HALLEY INVESTMENT COMPANY LIMITED

Notes to the unaudited financial statements

Year ended 31 December 2011

13. Share capital

Authorised share capital:

| | 2011 | 2010 |
|---|---------------|---------------|
| | £ | £ |
| 6,750 Ordinary shares of £1 each | 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>97,750</u> | <u>97,750</u> |

Allotted, called up and fully paid:

| | 2011 | | 2010 | |
|---|---------------|---------------|---------------|---------------|
| | 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> |

| | 2011 | 2010 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Amounts presented in equity: | | |
| 6,750 Ordinary shares of £1 each | <u>6,750</u> | <u>6,750</u> |

Amounts presented in liabilities:

| | | |
|---|---------------|---------------|
| 91,000 Net 10 5% non redeemable cumulative preference shares of £1 each | <u>91,000</u> | <u>91,000</u> |
|---|---------------|---------------|

HALLEY INVESTMENT COMPANY LIMITED

Notes to the unaudited financial statements

Year ended 31 December 2011

13. Share capital *(continued)*

There are no arrears of dividend on the above preference shares in the current year. In the previous year there were arrears of 26 years amounting to £248,430.

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.

15. Profit and loss account

| | 2011 | 2010 |
|-------------------------------|------------------|----------------|
| | £ | £ |
| Balance brought forward | 969,674 | 910,767 |
| Profit for the financial year | 553,874 | 549,352 |
| Equity dividends | (151,450) | (500,000) |
| Non-equity appropriation | (339,430) | 9,555 |
| Balance carried forward | <u>1,032,668</u> | <u>969,674</u> |

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

16. Analysis of shareholders' funds

Equity shareholders' interests at the end of the financial year are £1,323,418 (2010 - £867,994).
Non-equity shareholders' interests at the end of the financial year are £nil (2010 - £339,430).