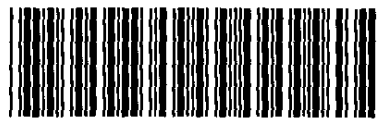


Hornby Road Investments Limited  
Annual report and financial statements  
for the year ended 31 December 2019

Registered Number 779549

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**Hornby Road Investments Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2019**

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# **Hornby Road Investments Limited**

## **Directors for the year ended 31 December 2019**

### **Directors**

Andrew Carter

Gareth Dickinson (resigned 10 February 2020)

Andrew Hunt (appointed 04 June 2020)

Lesley Mitchell (appointed 04 June 2020)

### **Company Secretary**

Royal London Management Services Limited

### **Registered Office**

55 Gracechurch Street

London

EC3V 0RL

Registered in England and Wales

Private limited company – limited by shares

### **Registered Number**

779549

# Hornby Road Investments Limited

## Directors' report for the year ended 31 December 2019

The directors present their annual report and unaudited financial statements for the financial year ended 31 December 2019.

Previously the principal activity of the company was that of holding property investments. In 2017, the company disposed of both of its properties and is not expecting to hold any investments in the foreseeable future.

The company is currently pursuing a reclaim from the French tax authorities in relation to a recent tax settlement of €547,000. The legal outcome of the potential reclaim is highly uncertain at the date of signing these financial statements and accordingly no contingent asset has been disclosed.

In the prior year the company received a final consideration settlement of £1,760,000 in respect of the property sales in 2017. The payment had been contingent on the purchaser obtaining certain development permits and was been recognised within the statement of comprehensive income as a gain on disposal of investments.

Total comprehensive income for the year was a loss of £89,000 (2018: profit of £1,003,000). No dividend has been paid during the year (2018: £25,000,000) and, accordingly, £89,000 was transferred from reserves (2018: £23,997,000).

### Directors

The directors who held office during the year and up to the date of signing the financial statements were:

Andrew Carter  
Gareth Dickinson (resigned 10 February 2020)  
Andrew Hunt (appointed 04 June 2020)  
Lesley Mitchell (appointed 04 June 2020)

### Directors' indemnities

The directors have the benefit of a qualifying third party indemnity provision (as defined in section 234 of the Companies Act 2006). This provision was in force throughout the financial year and as at the date of approval of the financial statements. The company's ultimate parent undertaking, The Royal London Mutual Insurance Society Limited, also maintains Directors' and Officers' liability insurance in respect of the company and its directors.

### Statement of directors' responsibilities

The directors are responsible for preparing the directors' 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

### Dividend

The directors do not propose the payment of a dividend (2018: £25,000,000)

# Hornby Road Investments Limited

## Directors' report for the year ended 31 December 2019 (continued)

### Small companies exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Subsidiary audit exemption

For the current year the company has taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### By order of the Board

A handwritten signature in black ink that reads "AS Carter". The signature is written in a cursive style.

**Andrew Carter**

Director

04 June 2020

## Hornby Road Investments Limited

### Statement of comprehensive income for the year ended 31 December 2019

|   | Note | 2019<br>£000 | 2018<br>£000 |
|---|------|--------------|--------------|
| <b>Turnover</b>   |      | -            | (33)         |
| Cost of sales   |      | -            | (445)        |
| <b>Gross loss</b>   |      | -            | (478)        |
| Administrative expenses                                       |      | (30)         | -            |
| <b>Operating loss</b>   |      | (30)         | (478)        |
| Other operating income  |      | 469          | (65)         |
| Gain on disposal of investments                               |      | -            | 1,760        |
| Other interest receivable and similar income                  | 2    | 30           | 43           |
| <b>Profit on ordinary activities before tax</b>               |      | 469          | 1,260        |
| Tax on profit on ordinary activities                          | 4    | (86)         | (324)        |
| <b>Profit for the financial year</b>                          |      | 383          | 936          |
| <b>Other comprehensive income:</b>                            |      |              |              |
| <b>Items that will not be reclassified to profit and loss</b> |      |              |              |
| Foreign currency translation movement                         |      | (472)        | 67           |
| <b>Other comprehensive income, net of tax</b>                 |      | (472)        | 67           |
| <b>Total comprehensive income for the financial year</b>      |      | <b>(89)</b>  | 1,003        |

The accounting policies and notes on pages 7 to 10 form an integral part of these financial statements.

# Hornby Road Investments Limited

## Balance sheet as at 31 December 2019

|  | Note | 2019<br>£000 | 2018<br>£000 |
|--|------|--------------|--------------|
| <b>Current assets</b>                          |      |              |              |
| Debtors  | 5    | 28           | 228          |
| Cash at bank and in hand                       |      | 8,210        | 8,344        |
|  |      | <b>8,238</b> | 8,572        |
| Creditors: amounts falling due within one year | 6    | (101)        | (346)        |
| <b>Net current assets</b>                      |      | <b>8,137</b> | 8,226        |
| <b>Total assets less total liabilities</b>     |      | <b>8,137</b> | 8,226        |
| <b>Capital and reserves</b>                    |      |              |              |
| Called up share capital                        | 7    | -            | -            |
| Other reserves                                 | 9    | 6,880        | 7,352        |
| Profit and loss account                        |      | 1,257        | 874          |
| <b>Total shareholders' funds</b>               |      | <b>8,137</b> | 8,226        |

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- The directors acknowledge responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 10 were approved by the board of directors on 04 June 2020 and signed on its behalf by:



**Andrew Carter**  
Director  
Hornby Road Investments Limited  
Registered Number: 779549

The accounting policies and notes on pages 7 to 10 form an integral part of these financial statements.

## Hornby Road Investments Limited

### Statement of changes in equity for the year ended 31 December 2019

|  | Note | Called up<br>share capital<br>£000 | Other<br>reserves<br>£000 | Profit and<br>loss account<br>£000 | Total<br>shareholders'<br>funds<br>£000 |
|--|------|------------------------------------|---------------------------|------------------------------------|---|
| At 1 January 2018                                      |      | 3,600                              | 7,285                     | 21,338                             | 32,223                                  |
| Profit for the financial year                          |      | -                                  | -                         | 936                                | 936                                     |
| Share capital reduction                                |      | (3,600)                            |                           | 3,600                              | -                                       |
| Dividends paid   | 8    | -                                  | -                         | (25,000)                           | (25,000)                                |
| Foreign currency translation movements<br>for the year |      | -                                  | 67                        | -                                  | 67                                      |
| At 31 December 2018                                    |      | -                                  | 7,352                     | 874                                | 8,226                                   |
| Profit for the financial year                          |      | -                                  | -                         | 383                                | 383                                     |
| Foreign currency translation movements<br>for the year |      | -                                  | (472)                     | -                                  | (472)                                   |
| <b>At 31 December 2019</b>                             |      | -                                  | <b>6,880</b>              | <b>1,257</b>                       | <b>8,137</b>                            |

The accounting policies and notes on pages 7 to 10 form an integral part of these financial statements.



# Hornby Road Investments Limited

## Notes to the financial statements for the year ended 31 December 2019

### 1 Accounting policies

#### (i) General information

Hornby Road Investments Limited is a company formerly established to hold investments in land and property, being two commercial properties in France. The company disposed of both investment properties in 2017 and is not expecting to hold any investments in the foreseeable future. The company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is 55 Gracechurch Street, London, EC3V 0RL.

#### (ii) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments to market value, and in accordance with the Companies Act 2006 and Financial Reporting Standard (FRS) 101, 'Reduced Disclosure Framework'.

FRS 101 permits the use of International Financial Reporting Standards (IFRS) as adopted for use in the European Union, but with certain exemptions, as described below.

In accordance with FRS 101, the company has taken the exemption not to present the following items required by EU adopted IFRS:

- Financial instruments disclosures and disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities. Disclosures in accordance with these requirements are included in the consolidated accounts of the company's ultimate parent, The Royal London Mutual Insurance Society Limited.
- Capital management disclosures.
- Comparative information for the reconciliation of the number of shares outstanding at the beginning and end of the period.
- A cash flow statement and related disclosures.
- Information on new IFRSs that have been issued but which are not yet effective.
- Key management compensation.
- Related party transactions between members of the group provided that any subsidiary that is party to the transaction is wholly owned by the group.

The company has a single reportable segment, as prescribed by IFRS 8, 'Operating Segments' and therefore no segmental information is disclosed.

The principal accounting policies, which have been applied consistently to all periods in these financial statements, are set out below

#### (iii) Turnover

Turnover includes rental income, service charges and management charges from properties net of TVA (the French equivalent of VAT). Rental income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the lease term. Turnover arises wholly in France.

#### (iv) Cost of sales

Cost of sales includes management fees and general expenses incurred in the management and maintenance of the property investments net of TVA. Costs are recognised in the statement of comprehensive income as they are incurred.

#### (v) Other interest receivable and similar income

Interest receivable is recognised on an accruals basis.

# Hornby Road Investments Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 1 Accounting policies (continued)

#### (vi) Taxation

Income tax on the profit for the financial year comprises current and deferred tax and is recognised in profit and loss except to the extent it relates to items recognised directly as other comprehensive income, in which case it is recognised in other comprehensive income. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Overseas tax included within current tax relates to French tax payments made in the financial year. The company held French investment properties and is subject to French tax on the rental income.

Deferred tax is provided, with no discounting, using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided for is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (vii) Foreign currency

##### *Translation to functional currency*

The functional currency of the company is the Euro. Pounds Sterling balances and transactions are translated into Euros at the year end in order to produce a set of functional currency accounts. Monetary balances are translated at the closing rate ruling at the balance sheet date and non-monetary balances measured at historic cost are translated at the rate at the transaction date. Income and expenses in the statement of comprehensive income are translated at the average rate during the year in which the transaction occurred. All resulting exchange differences are recognised in the profit for the year.

##### *Translation to presentational currency*

The presentational currency of these financial statements is Pounds Sterling. The functional currency financial statements are translated into the presentational currency at the year end. All assets and liabilities are translated at the closing rate ruling at the balance sheet date. Income and expenses in the statement of comprehensive income are translated at the average rate during the year in which the transaction occurred. All resulting exchange differences are recognised in other comprehensive income.

#### (viii) Cash at bank and in hand

Cash at bank and in hand comprises cash balances with a maturity date of three months or less from the acquisition date, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (ix) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 and in any future periods affected. Information on significant areas of critical judgments in applying accounting policies are described within the significant accounting policies above.

### 2 Other interest receivable and similar income

|               | 2019 | 2018 |
|---------------|------|------|
|               | £000 | £000 |
| Bank interest | 30   | 43   |

# Hornby Road Investments Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 3 Directors' and employees' remuneration

The company has no employees (2018: none). The directors received no remuneration in respect of their services to the company (2018: £nil).

### 4 Tax on profit on ordinary activities

#### (i) Tax charged in the statement of comprehensive income

|  | 2019<br>£000 | 2018<br>£000 |
|--|--------------|--------------|
| UK corporation tax at 19% (2018: 19%) on the profit for the year | 89           | -            |
| Adjustments to tax charge in respect of previous periods         | (3)          | -            |
| Overseas tax charge  | -            | 324          |
| <b>Tax charge on profit for the financial year</b>               | <b>86</b>    | <b>324</b>   |

#### (ii) Factors affecting the tax charge

The tax amount for the year is different from the standard rate of corporation tax in the UK of 19% (2018: 19%) applied to the profit before tax. The difference is explained below.

|   | 2019<br>£000 | 2018<br>£000 |
|---|--------------|--------------|
| Profit on ordinary activities before tax  | 469          | 1,260        |
| Profit multiplied by the standard rate of UK corporation tax at 19% (2018: 19%) | 89           | 239          |
| Effects of:   |              |              |
| - Overseas tax rates higher than UK rates                                       | -            | 85           |
| - Adjustments to tax charge in respect of previous periods                      | (3)          | -            |
| <b>Total tax charge for the year</b>  | <b>86</b>    | <b>324</b>   |

The company paid tax at a rate of 33.33% on overseas profits to the French tax authorities and 34.43% on overseas chargeable gains in 2018.

### 5 Debtors

|               | 2019<br>£000 | 2018<br>£000 |
|---------------|--------------|--------------|
| Other debtors | 28           | 228          |

### 6 Creditors: amounts falling due within one year

|                 | 2019<br>£000 | 2018<br>£000 |
|-----------------|--------------|--------------|
| Other creditors | 101          | 346          |

## Hornby Road Investments Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 7 Called up share capital

|                                   | 2019 | 2018 |
|-----------------------------------|------|------|
|                                   | £000 | £000 |
| <b>Issued and fully paid</b>      |      |      |
| 1 (2018: 1) ordinary shares of £1 | -    | -    |

#### 8 Dividends

|  | 2019 | 2018   |
|--|------|--------|
|  | £000 | £000   |
| Interim dividend paid: £nil (2018: £6.94) per ordinary share | -    | 25,000 |

#### 9 Other reserves

The other reserves relate to exchange differences on foreign currency translation from the functional currency to the presentational currency.

#### 10 Ultimate parent undertaking and controlling party

The Royal London Mutual Insurance Society Limited, a company registered in England and Wales, is the immediate and ultimate parent undertaking and controlling party.

The Royal London Mutual Insurance Society Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. Copies of the financial statements of The Royal London Mutual Insurance Society Limited are available from the company's registered office.