

SUNLEY INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

SUNLEY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	James B Sunley Richard J S Tice
Company secretary	Sunley Securities Limited
Registered number	01469437
Registered office	20 Berkeley Square London W1J 6LH
Independent auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG

SUNLEY INVESTMENTS LIMITED

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Results and dividends

The profit for the year, after taxation, amounted to £230,024 (2015 - loss £46,056).

The dividends paid in the year amounted to £nil (2015: £400,000)

Directors

The directors who served during the year were:

James B Sunley
Richard J S Tice

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 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.

Future developments

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

SUNLEY INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 April 2017 and signed on its behalf.

James B Sunley
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUNLEY INVESTMENTS LIMITED

We have audited the financial statements of Sunley Investments Limited for the year ended 31 December 2016, set out on pages 6 to 13. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUNLEY INVESTMENTS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

David Riley (Senior Statutory Auditor)

for and on behalf of

haysmacintyre

Statutory Auditors

26 Red Lion Square

London

WC1R 4AG

19 April 2017

SUNLEY INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Administrative expenses		47,675	(1,849)
Fair value movements		-	(54,562)
OPERATING PROFIT/(LOSS)		<u>47,675</u>	<u>(56,411)</u>
Income from fixed assets investments		182,700	-
Interest receivable and similar income		194	106
PROFIT/(LOSS) BEFORE TAX		<u>230,569</u>	<u>(56,305)</u>
Tax on profit/(loss)		(545)	10,249
PROFIT/(LOSS) FOR THE YEAR		<u><u>230,024</u></u>	<u><u>(46,056)</u></u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>230,024</u></u>	<u><u>(46,056)</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 13 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	5	1,750,030	1,750,030
Investment property	4	175,000	175,000
		<u>1,925,030</u>	<u>1,925,030</u>
CURRENT ASSETS			
Stocks	6	7,924	7,924
Debtors: amounts falling due within one year	7	41,729	41,925
Cash at bank and in hand	9	270,738	89,336
		<u>320,391</u>	<u>139,185</u>
Creditors: amounts falling due within one year	8	(3,680)	(52,498)
Net current assets		<u>316,711</u>	<u>86,687</u>
Total assets less current liabilities		<u>2,241,741</u>	<u>2,011,717</u>
Net assets		<u><u>2,241,741</u></u>	<u><u>2,011,717</u></u>
Capital and reserves			
Called up share capital		130	130
Profit and loss account		2,241,611	2,011,587
		<u>2,241,741</u>	<u>2,011,717</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 April 2017.

James B Sunley

Director

The notes on pages 8 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2. GENERAL INFORMATION

Sunley Investments Limited is a limited by shares company, it was incorporated in England & Wales. The registered office is at 4th Floor, 20 Berkeley Square, London, W1J 6LH. The principal purpose of the entity is to act as an investment vehicle.

2.1 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.2 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income Statement..

2.3 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 0 (2015 - 0).

4. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2016	175,000
AT 31 DECEMBER 2016	<u>175,000</u>

The 2016 valuations were made by the directors, on an open market value for existing use basis.

5. FIXED ASSET INVESTMENTS

	Investments in group companies £
COST OR VALUATION	
At 1 January 2016	1,750,030
At 31 December 2016	<u>1,750,030</u>
NET BOOK VALUE	
At 31 December 2016	<u>1,750,030</u>
At 31 December 2015	<u>1,750,030</u>

6. STOCKS

	2016 £	2015 £
Work in progress	7,924	7,924
	<u>7,924</u>	<u>7,924</u>

SUNLEY INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. DEBTORS

	2016 £	2015 £
Amounts owed by group undertakings	32,453	32,104
Deferred taxation	9,276	9,821
	<u>41,729</u>	<u>41,925</u>

8. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	1,705	50,647
Accruals and deferred income	1,975	1,851
	<u>3,680</u>	<u>52,498</u>

9. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	270,738	89,336
	<u>270,738</u>	<u>89,336</u>

10. DEFERRED TAXATION

	2016 £
At beginning of year	9,821
Charged to the profit or loss	(545)
AT END OF YEAR	<u>9,276</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. DEFERRED TAXATION (CONTINUED)

The deferred tax asset is made up as follows:

	2016 £
Capital losses	9,276
	<u>9,276</u>

11. CONTROLLING PARTY

The ultimate parent company is Sunley Family Limited. Sunley Family Limited is the head of the largest group of companies of which the company is a member that prepares group financial statements.

Sunley Family Limited is registered in England and Wales.

Group financial statements for Sunley Family Limited are available to the public, on payment of the appropriate fee, from the registrar of Companies at Companies House, Crown Way, Cardiff, CF14, 3UZ.

The directors do not consider there to be an ultimate controlling party.