

4243473

Iveagh Ltd
Report And Financial Statements
31 December 2011

Rees Pollock
Chartered Accountants

THURSDAY



A45 "A1HCN7L6" 13/09/2012 #278
COMPANIES HOUSE

COMPANY INFORMATION

Directors	The Earl of Iveagh (non-executive Chairman) Count N S Di Monteluca (non-executive deputy Chairman) The Hon H Channon (non-executive) The Hon R Guinness (non-executive) R Ford C Wyllie
Company number	4243473
Registered office	21 Queen Anne's Gate London SW1H 9BU
Auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Barclays Bank Plc Bexhill-on-Sea East Sussex TN40 1AW

DIRECTORS' REPORT for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activities

The company's principal activity during the period was the provision of investment management advice

Business review

The company operated in difficult market conditions in 2011 given the highly challenging economic environment. The directors are of the view that 2012 will prove similar. Nevertheless, the company looks forward to further development of its investment services to its clients in 2012.

Results

The loss for the year, after taxation, amounted to £495,267 (2010 - profit £216,579)

Directors

The directors who served during the year were

The Earl of Iveagh (non-executive Chairman)
Count N S Di Monteluca (non-executive deputy Chairman)
The Hon H Channon (non-executive)
The Hon G Fanshawe (non-executive) (resigned 1 December 2011)
The Hon R Guinness (non-executive)
R Ford (appointed 25 November 2011)
C Wyllie (appointed 5 September 2011)
P Mack (resigned 10 November 2011)
P Ross (resigned 22 December 2011)

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and 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
- 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.

Pillar III Disclosure

The firm has documented the disclosures required by the FSA under BIPRU 11.3. These are available from iveaghltd.com

DIRECTORS' REPORT
for the year ended 31 December 2011

Provision of information to auditor

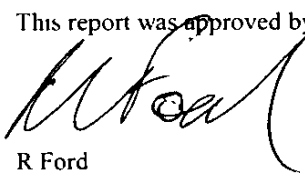
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 28 March 2012 and signed on its behalf

A handwritten signature in black ink, appearing to be 'R Ford', written over a circular stamp or seal.

R Ford
Director



REESPOLLOCK

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IVEAGH LTD

We have audited the financial statements of Iveagh Ltd for the year ended 31 December 2011, set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an Auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its 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.

Emphasis of matter

Without qualifying our opinion we draw attention to note 21 to the financial statements. The company is engaged in litigation with Mr Ross, a former director, for the recovery of a balance of £316,419 owed to the company. The ultimate outcome of the litigation cannot presently be determined, and no provision against the balance has been made in the financial statements.

Opinion on other matter prescribed by the Companies Act 2006

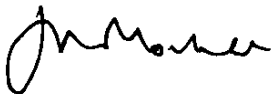
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
IVEAGH LTD

Matters on which we are required to report by exception

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



Jonathan Moulds (Senior statutory auditor)
for and on behalf of
Rees Pollock
Statutory Auditor

25 April 2012

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Note	2011 £	As Restated 2010 £
TURNOVER	1,2	2,605,403	3,094,144
Administrative expenses		(3,210,354)	(2,762,055)
OPERATING (LOSS)/PROFIT	3	(604,951)	332,089
Interest receivable and similar income		33	127
Interest payable and similar charges	6	(6,990)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(611,908)	332,216
Tax on (loss)/profit on ordinary activities	7	116,641	(115,637)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	(495,267)	216,579

All amounts relate to continuing operations

The notes on pages 9 to 17 form part of these financial statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2011

	Note	2011 £	As restated 2010 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(495,267)</u>	<u>216,579</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		(495,267)	<u>216 579</u>
Prior year adjustment	15	<u>383,666</u>	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS		<u>(111,601)</u>	

The notes on pages 9 to 17 form part of these financial statements

BALANCE SHEET
as at 31 December 2011

	Note	£	2011 £	As Restated 2010 £
FIXED ASSETS				
Tangible assets	8		56 667	55,815
CURRENT ASSETS				
Debtors	9	1,121,638		1,434,632
Investments	10	3,564		3 357
Cash in hand		30,227		86 375
		<u>1,155,429</u>		<u>1,524,364</u>
CREDITORS: amounts falling due within one year	11	<u>(529,789)</u>		<u>(402,605)</u>
NET CURRENT ASSETS			625,640	1 121,759
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>682,307</u>	<u>1,177 574</u>
PROVISIONS FOR LIABILITIES				
Deferred tax	12		<u>(4 592)</u>	<u>(4 592)</u>
NET ASSETS			<u>677 715</u>	<u>1,172,982</u>
CAPITAL AND RESERVES				
Called up share capital	13		369,090	369 090
Share premium account	14		61,883	61,883
Profit and loss account	14		<u>246,742</u>	<u>742,009</u>
SHAREHOLDERS' FUNDS	16		<u>677,715</u>	<u>1,172,982</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 March 2012



R Ford
Director

The notes on pages 9 to 17 form part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 December 2011

	Note	2011 £	As Restated 2010 £
Net cash flow from operating activities	17	(167,385)	(428 701)
Returns on investments and servicing of finance	18	(6,957)	127
Taxation		(56,513)	17,510
Capital expenditure and financial investment	18	(25 293)	(15 390)
CASH OUTFLOW BEFORE FINANCING		(256,148)	(426,454)
Financing	18	200,000	-
DECREASE IN CASH IN THE YEAR		(56,148)	(426,454)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
for the year ended 31 December 2011

	2011 £	As Restated 2010 £
Decrease in cash in the year	(56,148)	(426,454)
Cash inflow from increase in debt and lease financing	(200 000)	-
MOVEMENT IN NET DEBT IN THE YEAR	(256,148)	(426,454)
Net funds at 1 January 2011	86 375	512 829
NET (DEBT)/FUNDS AT 31 DECEMBER 2011	(169 773)	86 375

The notes on pages 9 to 17 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Going concern

Subsequent to the year end the company received a cash injection from its parent company of £700,000. Taking this into account the directors have prepared budgets that show that the company will have sufficient resources to meet its liabilities as they fall due for a period of at least twelve months from the signing of these accounts. Consequently the directors believe that the going concern basis is appropriate and the accounts have been prepared under that assumption.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of fees receivable exclusive of Value Added Tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	5 years
Fixtures & fittings	-	7 years
Equipment	-	5 years

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1 ACCOUNTING POLICIES (continued)

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.8 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

2 TURNOVER

The whole of the turnover is attributable to the one principal activity of the company

All turnover arose within the United Kingdom

3 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2011	2010
	£	£
Depreciation of tangible fixed assets		
- owned by the company	24,441	28,389
Auditors' remuneration	15,500	15,000
Auditors' remuneration - non-audit	22,650	10,792
Operating lease rentals		
- land and buildings	160,369	164,434
Difference on foreign exchange	4,978	702
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

4 STAFF COSTS

Staff costs, including directors' remuneration were as follows

	2011	As Restated
	£	2010
		£
Wages and salaries	1,512,714	1,382,558
Social security costs	180,335	170,757
Other pension costs	36,202	35,703
	<u>1,729,251</u>	<u>1,589,018</u>

The average monthly number of employees including the directors, during the year was as follows

	2011	2010
	No.	No.
Number of administrative staff	8	6
Number of sales & marketing staff	2	3
Number of fund management and operations staff	7	9
	<u>17</u>	<u>18</u>

5. DIRECTORS' REMUNERATION

	2011	As Restated
	£	2010
		£
Emoluments	<u>339,345</u>	<u>265,027</u>
Company pension contributions to defined contribution pension schemes	<u>9,083</u>	<u>9,000</u>

During the year retirement benefits were accruing to 4 directors (2010 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £128,224 (2010 restated - £159,884)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,375 (2010 - £4,750)

6 INTEREST PAYABLE

	2011	2010
	£	£
On other loans	<u>6,990</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

7 TAXATION

	2011 £	As Restated 2010 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(116,641)	116,641
Deferred tax (see note 12)		
Origination and reversal of timing differences	-	(1,004)
Tax on (loss)/profit on ordinary activities	<u>(116,641)</u>	<u>115 637</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from that calculated using the standard rate of corporation tax in the UK of 26% (2010 - 28%) The differences are explained below

	2011 £	As Restated 2010 £
(Loss)/profit on ordinary activities before tax	<u>(611,908)</u>	<u>332,216</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	(159,096)	93,020
Effects of:		
Expenses not deductible for tax purposes	17,247	23,992
Capital allowances for year in excess of depreciation	(1,027)	1,003
Unrelieved tax losses carried forward	33,289	-
Prior year loss relief at a different rate	(7,054)	-
Marginal relief	-	(1,374)
Current tax (credit)/charge for the year (see note above)	<u>(116,641)</u>	<u>116,641</u>

Factors that may affect future tax charges

At 31 December 2011 there were tax losses of £128,245 (2010 £nil) carried forward and available to utilise against profits in future periods. A deferred tax asset has not been recognised in respect of these losses due to uncertainty over the timing of the asset's recovery

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

8 TANGIBLE FIXED ASSETS

	Leasehold Property £	Motor vehicles £	Fixtures & fittings and Equipment £	Total £
Cost				
At 1 January 2011	21,209	4,699	180,081	205,989
Additions	901	-	24,392	25,293
Disposals	-	(4,699)	-	(4,699)
At 31 December 2011	22,110	-	204,473	226,583
Depreciation				
At 1 January 2011	17,903	4,699	127,572	150,174
Charge for the year	2,537	-	21,904	24,441
On disposals	-	(4,699)	-	(4,699)
At 31 December 2011	20,440	-	149,476	169,916
Net book value				
At 31 December 2011	1,670	-	54,997	56,667
At 31 December 2010	3,306	-	52,509	55,815

9 DEBTORS

	2011 £	As Restated 2010 £
Trade debtors	13,846	3,367
Amounts owed by group undertakings	56,762	249,645
Other debtors	671,342	461,741
Prepayments and accrued income	379,688	719,879
	<u>1,121,638</u>	<u>1,434,632</u>

Included within other debtors is £512,802 (2010 restated £372,611) due from individuals as disclosed in note 21

10 INVESTMENTS

	2011 £	2010 £
Other investments	<u>3,564</u>	<u>3,357</u>

Other investments represents an investment in one of the funds managed by the company. The investment is stated at a market value.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

11 CREDITORS

Amounts falling due within one year

	2011 £	As Restated 2010 £
Other loans (see note 21)	200,000	-
Trade creditors	65,393	63,150
Amounts owed to group undertakings	15,152	15,151
Corporation tax	38,989	212,143
Social security and other taxes	52,667	67,666
Accruals and deferred income	157,588	44,495
	<u>529,789</u>	<u>402,605</u>

12 DEFERRED TAXATION

	2011 £	2010 £
At beginning and end of year	<u>4,592</u>	<u>4,592</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	<u>4,592</u>	<u>4 592</u>

13 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
369 090 Ordinary shares shares of £1 each	<u>369 090</u>	<u>369 090</u>

14 RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2011 (as previously stated)	61 883	358,343
Prior year adjustment (note 15)		383,666
At 1 January 2011 (as restated)		<u>742 009</u>
Loss for the year	-	(495,267)
At 31 December 2011	<u>61 883</u>	<u>246 742</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

15 PRIOR YEAR ADJUSTMENT

An adjustment was made to correct accounting errors made in previous years in which amounts advanced to directors had been incorrectly treated as remuneration rather than loans. The effect of this adjustment on the prior year results is to increase debtors by £372,611, to decrease creditors by £11,055, to increase the profit and loss reserve brought forward by £244,943, to increase profit before tax for the year by £197,121 and to increase the tax for the year by £58,398.

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Opening shareholders' funds	789,316	711,460
Prior year adjustments (note 15)	383,666	244,943
Opening shareholders' funds (as restated)	1,172,982	956,403
(Loss)/profit for the year	(495,267)	216,579
Closing shareholders' funds	<u>677,715</u>	<u>1,172,982</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating (loss)/profit	(604,951)	332,089
Depreciation of tangible fixed assets	24,441	28,389
Decrease in debtors	120,111	192,467
Decrease/(increase) in amounts owed by group undertakings	192,883	(249,645)
Increase/(decrease) in creditors	100,337	(694,333)
Increase/(decrease) in amounts owed to group undertakings	1	(46,425)
Change in market value of investments	(207)	8,757
Net cash outflow from operating activities	<u>(167,385)</u>	<u>(428,701)</u>

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	33	127
Interest paid	(6,990)	-
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(6,957)</u>	<u>127</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2011	2010
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(25,293)	(15,390)
	2011	2010
	£	£
Financing		
Other new loans	200,000	-

19. ANALYSIS OF CHANGES IN NET DEBT

	1 January	Cash flow	Other	31 December
	2011		non-cash	2011
	£	£	changes	£
Cash at bank and in hand	86,375	(56,148)	-	30,227
Debt				
Debts due within one year	-	(200,000)	-	(200,000)
Net funds	86,375	(256,148)	-	(169,773)

20 OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Within 1 year	-	41 096
After more than 5 years	150,000	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

21 RELATED PARTY TRANSACTIONS

During the year the company advanced £102,427 (2010 restated £79,907) to Paul Ross, a director. At the year end Mr Ross owed the company £316,419 (2010 restated £213,992). On 1 February 2012 the company served a statutory demand on Mr Ross which was based upon admissions made by Mr Ross concerning the amounts owed. Mr Ross subsequently issued an application in the County Court to set aside the statutory demand on the grounds that the debt is disputed. The company have been advised that based, among other things, on Mr Ross' previous admissions Mr Ross' application does not have merit. The directors believe that the amount is correctly stated and no provision has been made against the balance in these financial statements. However the outcome of litigation is not predictable and accordingly there can be no certainty that this amount will be recovered in full.

During the year the company advanced £37,763 (2010 restated £44,064) to Paul Mack, a director. At the year end Mr Mack owed the company £196,383 (2010 restated £158,619). No provision has been made against this balance as the amount is due to be repaid in full by 1 May 2012.

Prior to the year end loans totalling £200,000 were advanced by Capital I Enterprises Limited and Venere Investments Limited, companies which are controlled by directors of Iveagh Limited. The loans are due to be repaid on 9 December 2012 and interest is payable at 5% above LIBOR.

Included within turnover is an amount of £229,252 (2010 £403,514) receivable from Arundel Iveagh Holdings Limited, a company incorporated in Bermuda and under common control, for investment advisory services provided. The company also recharged expenses of £19,422 (2010 £170,007) to Arundel Iveagh Holdings Limited. An amount of £79,165 was owed to the company at the year end (2010 £422,550 was owed to the company).

Included within turnover is an amount of £323,298 (2010 £nil) receivable from Arundel Emerging Ventures (Bermuda) Limited, a company incorporated in Bermuda and under common control, for investment advisory services provided. The company also recharged expenses of £nil (2010 £35,342) to Arundel Emerging Ventures (Bermuda) Limited. An amount of £69,643 (2010 £174,560) was owed to the company at the year end.

22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

As at 31 December 2011 the company's immediate parent undertaking and ultimate controlling party was Arundel Iveagh Holdings Limited ('AIHL'), a company incorporated in Bermuda. Subsequent to the year end a controlling interest in AIHL was acquired by Elgistan Trust Company (Jersey) Limited, a company which is a trustee for various trusts, none of which have overall control.