

## Regulatory Story

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**Highway Capital PLC - HWC** *Half Yearly Report*  
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Highway Capital PLC  
30 October 2015

**HIGHWAY CAPITAL PLC****INTERIM REPORT 2015***Chairman's Statement*

Dear Fellow Shareholder

The results for the six months ended 31 August 2015 showed a loss before tax of £65,000 (six months ended 31 August 2014: £53,000 loss; year ended 28 February 2015: £124,000 loss).

No dividend has been declared.

At a general meeting of the shareholders on 9 April 2015, authority was given to the directors to issue up to £3,000,000 nominal value convertible loan notes capable of conversion by the holders at no less than 10p per ordinary share. This will enable the directors to put the company on a sound financial footing.

During the period, Mr M Szytko, a director and shareholder of the company, has made a further loan of £120,000 to the company under the terms of the convertible loan notes, to ensure that the company continues to have adequate resources.

**D Wheatley**  
Chairman

30 October 2015

*Profit and loss account*

	<i>6 months ended</i>	<i>6 months ended</i>	<i>Year ended</i>
	<i>31 August 2015</i>	<i>31 August 2014</i>	<i>28 February 2015</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>

	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Management fees		-	-	-
Administrative expenses		(65)	(53)	(124)
Operating loss	2	(65)	(53)	(124)
Interest receivable		-	-	-
Loss on ordinary activities before taxation		(65)	(53)	(124)
Tax credit on loss on ordinary activities		-	-	-
Loss for the period		(65)	(53)	(124)
Basic loss per share	3	(0.74)p	(0.61)p	(1.42)p
Diluted loss per share	3	(0.66)p	(0.61)p	(1.42)p

<i>Balance Sheet</i>	<i>Notes</i>	<i>31 August 2015 (unaudited) £'000</i>	<i>31 August 2014 (unaudited) £'000</i>	<i>28 February 2015 (audited) £'000</i>
Fixed assets				
Investments		-	-	-
Current assets				
Debtors		14	13	6
Cash at bank and in hand		16	18	12
		30	31	18
Creditors: amounts falling due within one year		(83)	(68)	(126)
Net current assets/(liabilities)		(53)	(37)	(108)
Total assets less current liabilities		(53)	(37)	(108)
Creditors: amounts falling due after more than one year	5	(150)	(30)	(30)
Net assets/(liabilities)		(203)	(67)	(138)
Capital and reserves				
Share capital	6	175	175	175
Share premium		368	368	368
Profit and loss account		(746)	(610)	(681)
Total equity shareholders' funds/(deficit)		(203)	(67)	(138)

<i>Statement of changes in Equity</i>		<i>6 months ended 31 August 2015 (unaudited) £'000</i>	<i>6 months ended 31 August 2014 (unaudited) £'000</i>	<i>Year ended 28 February 2015 (audited) £'000</i>
Loss attributable to ordinary shareholders		(65)	(53)	(124)
Issue of new ordinary shares less costs		-	-	-
Net decrease in shareholders' funds		(65)	(53)	(124)
Opening Shareholders' funds/(deficit)		(138)	(14)	(14)
Closing Shareholders' funds/(deficit)		(203)	(67)	(138)

<i>Cash Flow Statement</i>	<i>Notes</i>	<i>6 months ended 31 August 2015 (unaudited) £'000</i>	<i>6 months ended 31 August 2014 (unaudited) £'000</i>	<i>Year ended 28 February 2015 (audited) £'000</i>
Net cash outflow from operating activities	7a	(116)	(26)	(32)
Returns on investments and servicing of finance		-	-	-
Interest received		-	-	-

Net cash inflow from returns on investments and servicing of finance		-	-	-
Taxation				
Corporation tax		-	-	-
Equity dividends paid		-	-	-
Financing				
Issue of ordinary shares		-	-	-
Loans		<b>120</b>	-	-
Increase/(decrease) in cash	7b	<b>4</b>	(26)	(32)

### Notes to the Interim Report

#### 1. Basis of preparation of the interim report

The condensed set of financial statements for the six months ended 31 August 2015 has been prepared on a basis consistent with the financial statements for the year ended 28 February 2015. No changes are anticipated from the adoption of FRS 102 "The financial reporting standard applicable in the UK and the Republic of Ireland".

The condensed set of financial statements for the six months ended 31 August 2015 has not been audited or reviewed by the auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

The comparative financial information for the year ended 28 February 2015 has been extracted from the audited financial statements, on which the auditors issued an unqualified audit report, and which have been delivered to the Registrar of Companies.

The financial information contained in the interim statement does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

There are no acquired or discontinued operations in the relevant financial periods.

There are no recognized gains or losses other than the profit or loss for the relevant financial periods.

Highway Capital plc is a stand-alone company and does not prepare consolidated accounts. It has therefore continued to prepare its accounts in accordance with UK rather than international accounting standards, as permitted under EC Regulation 1606/2002.

#### 2. Operating loss

This is stated after charging:

	<i>6 months ended 31 August 2015 (unaudited) £'000</i>	<i>6 months ended 31 August 2014 (unaudited) £'000</i>	<i>Year ended 28 February 2015 (audited) £'000</i>
Directors' remuneration			
- salaries and fees	22	22	44
Auditors' remuneration			
- audit services	5	5	10
- other services	-	5	-

#### 3. Loss per share

The loss per ordinary share calculation has been based on the losses attributable to ordinary shareholders of £65,000 (August 2014: £53,000; February 2015: £124,000), divided by 8,740,201 (August 2014: 8,740,201; February 2015: 8,740,201) being the average of the issued share capital during the period.

The diluted loss per share calculation has been based on the loan of £120,000 being converted into new ordinary shares at a price of 10 pence per share.

#### 4. 2015 interim dividend

No interim dividend has been declared.

## 5. Creditors: due after more than one year

The creditor due after more than one year of £150,000 (August 2014: £30,000; February 2015: £30,000), is made up of two loans from M Szytko, a director and shareholder, as follows: (a) £30,000 unsecured loan repayable after 2 years and bearing interest at a rate of 5% per annum (if it so wishes, the company can repay the loan or part thereof at any time within the 2 year period), and (b) £120,000 unsecured loan repayable after 5 years, convertible at the holder's request into new ordinary shares in the company at a price of 10 pence per share; in the event that the loan is not repaid or converted prior to its maturity date then it will attract accrued interest at a rate of 5% per annum.

## 6. Share capital

	<i>31 August 2015</i> <i>(unaudited)</i>	<i>31 August 2014</i> <i>(unaudited)</i>	<i>28 February</i> <i>2015</i> <i>(audited)</i>
Ordinary shares of 2p each			
Authorised			
Number of shares	<b>50,000,000</b>	50,000,000	50,000,000
Nominal value	<b>£1,000,000</b>	£1,000,000	£1,000,000
Allotted, called-up, fully paid			
Number of shares	<b>8,740,201</b>	8,740,201	8,740,201
Nominal value	<b>£174,804</b>	£174,804	£174,804

## 7. Cash flow statement

	<i>6 months ended</i> <i>31 August 2015</i> <i>(unaudited)</i> <i>£'000</i>	<i>6 months ended</i> <i>31 August 2014</i> <i>(unaudited)</i> <i>£'000</i>	<i>Year ended</i> <i>28 February 2015</i> <i>(audited)</i> <i>£'000</i>
<b>a) Net cash outflow from operating activities</b>			
Operating loss	<b>(65)</b>	(53)	(124)
(Increase)/decrease in debtors	<b>(8)</b>	(9)	(2)
Increase/(decrease) in creditors	<b>(43)</b>	36	94
	<b>(116)</b>	(26)	(32)
<b>b) Reconciliation of net cash flow to movement in net funds/(debt)</b>			
Increase/(decrease) in cash in the period	<b>4</b>	(26)	(32)
Debt due after 1 year	<b>(120)</b>	-	-
Movement in net funds/(debt) in the period	<b>(116)</b>	(26)	(32)
Opening net funds/(debt)	<b>(18)</b>	14	14
Closing net funds/(debt)	<b>(134)</b>	(12)	(18)

## 8. Related party transactions

As at the balance sheet date, there are loans of £150,000 to the company from M Szytko, a director and shareholder of the company. The terms of these loans are set out in note 5 above.

## 9. Responsibility statement

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting issued by the Financial Reporting Council;
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and their impact on the financial statements and description of principal risks and uncertainties for the remaining six months of the year); and

- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

D Wheatley  
Chairman

M Szytko  
Non-Executive Director

#### 10. Publication

Copies of this statement will be available on the company's website at [www.highwaycapital.co.uk](http://www.highwaycapital.co.uk).

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