

**Residential Trust Limited**  
**Annual Report and Unaudited Financial Statements**  
**Year Ended 31 March 2019**

**Registration number: 02907318**

**Residential Trust Limited**

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# **Residential Trust Limited**

## **Company Information**

**Directors** C J Eccles  
G F Eccles  
L S Eccles

**Company secretary** L S Eccles

**Registered office** 4 Southernhay West  
Exeter  
Devon  
EX1 1JG

**Accountants** Francis Clark LLP  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

# Residential Trust Limited

## Balance Sheet

31 March 2019

	Note	2019 £	(As restated) 2018 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	541	2
Investment property	<u>5</u>	6,150,000	6,150,000
Investments	<u>6</u>	200	200
Other investments	<u>7</u>	32	32
		<u>6,150,773</u>	<u>6,150,234</u>
<b>Current assets</b>			
Debtors	<u>8</u>	2,620,045	2,552,396
Cash at bank and in hand		<u>326,486</u>	<u>629,245</u>
		2,946,531	3,181,641
<b>Creditors: Amounts falling due within one year</b>	<u>9</u>	<u>(121,702)</u>	<u>(406,741)</u>
<b>Net current assets</b>		<u>2,824,829</u>	<u>2,774,900</u>
<b>Total assets less current liabilities</b>		8,975,602	8,925,134
<b>Creditors: Amounts falling due after more than one year</b>	<u>9</u>	<u>(1,715,643)</u>	<u>(1,789,645)</u>
<b>Provisions for liabilities</b>		<u>(298,902)</u>	<u>(298,903)</u>
<b>Net assets</b>		<u>6,961,057</u>	<u>6,836,586</u>
<b>Capital and reserves</b>			
Called up share capital		5	5
Profit and loss account		<u>6,961,052</u>	<u>6,836,581</u>
<b>Total equity</b>		<u>6,961,057</u>	<u>6,836,586</u>

The notes on pages 4 to 12 form an integral part of these financial statements.

# Residential Trust Limited

## Balance Sheet

31 March 2019

For the financial year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small 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; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 18 November 2019 and signed on its behalf by:

.....

C J Eccles

Director

Company Registration Number: 02907318

The notes on pages 4 to 12 form an integral part of these financial statements.

# **Residential Trust Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2019**

### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

4 Southernhay West

Exeter

Devon

EX1 1JG

These financial statements were authorised for issue by the Board on 18 November 2019.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including Section 1A and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Group accounts not prepared**

The company is part of a small group. The company has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and has not prepared group accounts.

# **Residential Trust Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2019**

#### **Prior period restatement**

The accounts for March 2018 have been restated to reflect the correct treatment of both investment property revaluation reserve and movement in the year for both investment property revaluation and deferred tax on revaluation in line with FRS102. At 1 April 2017 the £2,719,924 revaluation reserve has been moved into the profit and loss account creating a restated profit and loss balance of £5,443,453. A net movement of £101,200 has been restated from investment property revaluation to profit and loss in the year to 31 March 2018 to reflect movement in the revaluation reserve for that year.

At March 2018 the total investment property revaluation reserve balance of £2,821,124 has been restated to the profit and loss account creating a profit and loss account balance of £6,836,581 at 31 March 2018.

Bank loans, both current and non-current have been restated to reflect the actual periods in which the loans become payable in accordance with the loan repayment agreements.

Unlisted shares, other loans and accrued expenses have been restated to reflect the true nature and form of the transactions.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the rental of property in the ordinary course of the company's activities.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity.

#### **Tax**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

# Residential Trust Limited

## Notes to the Financial Statements

Year Ended 31 March 2019

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	20% Straight Line
Other fixed assets	20% Straight Line

### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by a director using observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.



# **Residential Trust Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2019**

#### **Financial instruments**

##### ***Classification***

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

##### ***Recognition and measurement***

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 4 (2018 - 3).

# Residential Trust Limited

## Notes to the Financial Statements

Year Ended 31 March 2019

### 4 Tangible assets

	Fixtures & fittings £	Other fixed assets £	Total £
<b>Cost or valuation</b>			
At 1 April 2018	3,960	3,839	7,799
Additions	722	-	722
At 31 March 2019	4,682	3,839	8,521
<b>Depreciation</b>			
At 1 April 2018	3,959	3,838	7,797
Charge for the year	182	1	183
At 31 March 2019	4,141	3,839	7,980
<b>Carrying amount</b>			
At 31 March 2019	541	-	541
At 31 March 2018	1	1	2

### 5 Investment properties

	2019 £
At 1 April 2018	6,150,000
At 31 March 2019	6,150,000

These valuations were made by a director using an open market valuation based on existing use

Included within the net book value of investment properties is £987,500 in respect of long leasehold investment properties and £5,162,500 in respect of freehold investment properties.

The historic cost for investment properties is £3,030,944 (2018: £3,030,944)

### 6 Investments

	2019 £	(As restated) 2018 £
Investments in subsidiaries	200	200

# Residential Trust Limited

## Notes to the Financial Statements

### Year Ended 31 March 2019

<b>Subsidiaries</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 April 2018	<u>200</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 31 March 2019	<u>200</u>
At 31 March 2018	<u>200</u>

### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Cycle Service Limited	England & Wales	Ordinary	100%	100%
Carinas Nightclub Limited	England & Wales	Ordinary	100%	100%

The principal activity of Cycle Service Limited is that of bike retail and repairs

The principal activity of Carinas Nightclub Limited is that of a licensed club

The loss for the financial period of Cycle Service Limited was £33,507 and the aggregate amount of capital and reserves at the end of the period was £(174,728).

The loss for the financial period of Carinas Nightclub Limited was £23,966 and the aggregate amount of capital and reserves at the end of the period was £(79,245).

# Residential Trust Limited

## Notes to the Financial Statements

Year Ended 31 March 2019

### 7 Other investments

	Unlisted investments £	Total £
<b>Cost or valuation</b>		
At 1 April 2018	32	32
At 31 March 2019	32	32
<b>Carrying amount</b>		
At 31 March 2019	32	32

### 8 Debtors

	2019 £	(As restated) 2018 £
Trade debtors	-	15,875
Amounts due from group undertakings	498,750	253,753
Other debtors	2,111,957	2,277,578
Prepayments	9,338	5,190
	<u>2,620,045</u>	<u>2,552,396</u>

### 9 Creditors

**Creditors: amounts falling due within one year**

	Note	2019 £	(As restated) 2018 £
<b>Due within one year</b>			
Loans and borrowings	<u>10</u>	78,338	82,674
Trade creditors		-	823
Corporation tax		20,681	289,573
Social security and other taxes		-	1,953
Other creditors		12,989	24,465
Accrued expenses		9,694	7,253
		<u>121,702</u>	<u>406,741</u>

# Residential Trust Limited

## Notes to the Financial Statements

Year Ended 31 March 2019

Creditors: amounts falling due after more than one year

	Note	2019 £	(As restated) 2018 £
<b>Due after one year</b>			
Loans and borrowings	10	1,715,643	1,789,645
		2019 £	2018 £
<b>Due after more than five years</b>			
After more than five years by instalments		1,402,291	1,458,947

### 10 Loans and borrowings

	2019 £	(As restated) 2018 £
<b>Current loans and borrowings</b>		
Bank borrowings	78,338	82,674
	2019 £	(As restated) 2018 £
<b>Loans and borrowings due after one year</b>		
Bank borrowings	1,715,643	1,789,645

Security has been given by the company over all loans and borrowings from Lloyds Bank PLC as a fixed and floating charge over the assets to which the loans relate.

### 11 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary Shares of £1 each	5	5	5	5

# **Residential Trust Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2019**

### **12 Reserves**

The changes to each component of equity resulting from items previously accounted for within other comprehensive income for the prior year were as follows:

As at 31 March 2019 the profit and loss account included £2,821,124 (2018: £2,821,124) of non-distributable reserves. This relates to the revaluation surplus on investment properties.

### **13 Financial commitments, guarantees and contingencies**

#### **Amounts not provided for in the balance sheet**

The total amount of guarantees not included in the balance sheet is £990,000 (2018 - £990,000). This is the maximum guaranteed over bank borrowing of Charterbank Capital Limited.

#### **Amounts disclosed in the balance sheet**

Included in the balance sheet are financial commitments of £443,105 (2018 - £469,666). This commitment is the company's 50% share of funds borrowed to finance investment property jointly owned with a third party and is included within bank loans. The borrowing is jointly and severally secured on the assets to which this loan relates.

### **14 Related party transactions**

#### **Summary of transactions with other related parties**

A company in which the Residential Trust Limited has a minority shareholding.

Included in other debtors is a loan to a related party of £2,051,957 (2018: £2,212,643).

Interest of £226,980 (2018: £147,597) was charged by the company on this loan.

Fees of £10k (2018: £9,375) were charged by the company on this loan.

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