

RESIDENTIAL TRUST LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



RESIDENTIAL TRUST LIMITED
REGISTERED NUMBER: 02907318

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	2	2
Investments	5	6,202	202
Investment property	6	6,150,000	6,032,500
		<u>6,156,204</u>	<u>6,032,704</u>
Current assets			
Debtors: amounts falling due within one year	7	2,551,926	1,191,682
Cash at bank and in hand	8	629,245	503,599
		<u>3,181,171</u>	<u>1,695,281</u>
Creditors: amounts falling due within one year	9	(412,241)	(134,974)
Net current assets		<u>2,768,930</u>	<u>1,560,307</u>
Total assets less current liabilities		<u>8,925,134</u>	<u>7,593,011</u>
Creditors: amounts falling due after more than one year	10	(1,789,645)	(1,866,958)
Provisions for liabilities			
Deferred tax	13	(298,903)	(282,600)
		<u>(298,903)</u>	<u>(282,600)</u>
Net assets		<u>6,836,586</u>	<u>5,443,453</u>
Capital and reserves			
Called up share capital	14	5	5
Investment property reserve		2,821,124	2,719,924
Profit and loss account		4,015,457	2,723,524
		<u>6,836,586</u>	<u>5,443,453</u>

RESIDENTIAL TRUST LIMITED
REGISTERED NUMBER: 02907318

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

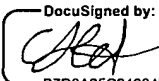
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

DocuSigned by:

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C J Eccles
Director

Date: 21/12/2018

The notes on pages 4 to 14 form part of these financial statements.

RESIDENTIAL TRUST LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £	Investment property revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2016	5	2,462,607	2,659,494	5,122,106
Comprehensive income for the year				
Profit for the year	-	-	89,030	89,030
Unrealised surplus on revaluation of investment properties	-	329,017	-	329,017
Deferred tax movements	-	(71,700)	-	(71,700)
Other comprehensive income for the year	-	257,317	-	257,317
Dividends: Equity capital	-	-	(25,000)	(25,000)
At 1 April 2017	5	2,719,924	2,723,524	5,443,453
Comprehensive income for the year				
Profit for the year	-	-	1,291,933	1,291,933
Unrealised surplus on revaluation of investment properties	-	117,500	-	117,500
Deferred tax movement	-	(16,300)	-	(16,300)
Other comprehensive income for the year	-	101,200	-	101,200
At 31 March 2018	5	2,821,124	4,015,457	6,836,586

The notes on pages 4 to 14 form part of these financial statements.

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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:

1.2 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 Interest income

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

1.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.5 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)**1.6 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 balance sheet 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 Balance Sheet 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 balance sheet date.

1.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.8 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	-	20% Straight Line
Other fixed assets	-	20% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.9 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 Statement of Comprehensive Income.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.11 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.

1.12 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.

1.13 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.

1.14 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 Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.15 Financial instruments

The Company only enters into basic financial instrument 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

1.16 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.

2. General information

Residential Trust Limited is a private company, limited by shares incorporated in England.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2017 - 3).

RESIDENTIAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. Tangible fixed assets

	Fixtures & fittings £	Other fixed assets £	Total £
Cost or valuation			
At 1 April 2017	3,960	3,839	7,799
At 31 March 2018	3,960	3,839	7,799
Depreciation			
At 1 April 2017	3,959	3,838	7,797
At 31 March 2018	3,959	3,838	7,797
Net book value			
At 31 March 2018	1	1	2
At 31 March 2017	1	1	2

5. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2017	200	2	202
Additions	-	6,000	6,000
At 31 March 2018	200	6,002	6,202
Net book value			
At 31 March 2018	200	6,002	6,202
At 31 March 2017	200	2	202

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Fixed asset investments (continued)

The company has 2 subsidiaries both of which are 100% owned and incorporated in Great Britain. The subsidiary companies are Carinas Nightclub Limited and Cycle Service Limited.

6. Investment property

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2017	5,065,000	967,500	6,032,500
Surplus on revaluation	97,500	20,000	117,500
At 31 March 2018	5,162,500	987,500	6,150,000

The 2018 valuations were made by Mr C Eccles, on an open market value for existing use basis.

	2018 £	2017 £
Revaluation reserves		
At 1 April 2017	2,719,924	2,462,607
Net surplus/(deficit) in movement properties	117,500	329,017
At 31 March 2018	2,837,424	2,791,624

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	3,362,961	3,362,961
	3,362,961	3,362,961

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Debtors

	2018 £	2017 £
Trade debtors	15,875	7,550
Other debtors	2,509,647	1,153,027
Prepayments and accrued income	26,404	31,105
	<u>2,551,926</u>	<u>1,191,682</u>

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	629,245	503,599
	<u>629,245</u>	<u>503,599</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	82,674	83,718
Payments received on account	24,465	25,296
Trade creditors	823	823
Corporation tax	289,573	16,000
Other taxation and social security	1,953	1,900
Accruals and deferred income	12,753	7,237
	<u>412,241</u>	<u>134,974</u>

10. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	1,783,575	1,861,465
Other loans	6,070	5,493
	<u>1,789,645</u>	<u>1,866,958</u>

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	82,674	83,718
	<u>82,674</u>	<u>83,718</u>
Amounts falling due 1-2 years		
Bank loans	492,319	521,871
Other loans	6,070	5,493
	<u>498,389</u>	<u>527,364</u>
Amounts falling due 2-5 years		
Bank loans	167,097	172,793
	<u>167,097</u>	<u>172,793</u>
Amounts falling due after more than 5 years		
Bank loans	1,124,159	1,166,802
	<u>1,124,159</u>	<u>1,166,802</u>
	<u><u>1,872,319</u></u>	<u><u>1,950,677</u></u>

12. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	635,247	503,601
	<u>635,247</u>	<u>503,601</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. Deferred taxation

	2018 £	2017 £
At beginning of year	(282,600)	(210,900)
Charged to other comprehensive income	(16,300)	(71,700)
At end of year	(298,900)	(282,600)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Investment property revaluation	(298,900)	(282,600)
	(298,900)	(282,600)

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. Share capital

	2018	2017
	£	£
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
5 (2017 - 5) Ordinary shares of £1.00 each	5	5
	<hr/>	<hr/>

15. Contingent liabilities

Bank borrowings in the sum of £469,666 relate to the company's share of funds borrowed to finance investment property jointly owned with a third party. The borrowing is jointly and severally secured and the maximum additional unprovided liability is £469,666.

The company has guaranteed bank borrowing of Charterbank Limited up to a total of £990,000. The maximum unprovided liability is £990,000.

16. Compensation claim

The company was mis-sold interest rate swap products by its previous bank and received compensation in connection with the mis-selling during the year ended 31 March 2015.

In addition to the mis-selling claim the company received compensation in connection with consequential losses in the sum of £1.3M.

RESIDENTIAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Related party transactions

The company was controlled throughout the current and previous year by Mr C J Eccles and Mrs L S Eccles who are directors of the company.

Charterbank Capital Limited is a company controlled by Mr C J Eccles. The company has advanced funds to Charterbank Capital Limited. Interest at a commercial rate is due on the loan. The company has received fees from Charterbank Capital Limited.

Carinas Nightclub Limited and Cycle Service Limited are 100% subsidiaries of the company. The company has advanced funds to each of its subsidiaries interest free. The company charges Carinas Nightclub Limited rent.

Details of balances and transactions relating to the foregoing are set out below:

	2018 £	2017 £
Charterbank Capital Ltd loan from the company	2,212,643	924,348
Charterbank Capital Ltd Interest charged on loan by the company	147,597	83,247
Charterbank Capital Ltd fees paid to the company	9,375	6,250
Cycle Service Limited loan from the company	205,832	178,832
Carinas Nightclub Limited loan from company	47,921	47,921
Carinas Nightclub Limited rent received	18,333	21,217
Charterbank Capital Ltd Dividends received	600	1,600

18. Controlling party

Throughout the current and previous year the company was controlled by the directors.