

R J O'Donnell Ltd

Registered number: SC038876

Filleted Accounts

For the year ended 5 April 2017



R J O'DONNELL LTD

COMPANY INFORMATION

Directors	J L R O'Donnell K J O'Donnell
Registered number	SC038876
Registered office	16 Claremont Crescent Edinburgh EH7 4HX
Accountants	Mazars LLP Chartered Accountants Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD

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R J O'DONNELL LTD

Registered number: SC038876

**BALANCE SHEET
AS AT 5 APRIL 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	2,140,695	2,254,938
Current assets			
Cash at bank and in hand	5	275,535	103,162
		<u>275,535</u>	<u>103,162</u>
Creditors: amounts falling due within one year	6	(286,845)	(311,542)
Net current liabilities		(11,310)	(208,380)
Total assets less current liabilities		<u>2,129,385</u>	<u>2,046,558</u>
Creditors: amounts falling due after more than one year	7	(20,000)	(30,000)
		<u>2,109,385</u>	<u>2,016,558</u>
Provisions for liabilities			
Deferred tax	8	(56,943)	-
		<u>(56,943)</u>	<u>-</u>
Net assets		<u><u>2,052,442</u></u>	<u><u>2,016,558</u></u>
Capital and reserves			
Called up share capital	9	100	100
Revaluation reserve	10	960,545	1,054,826
Profit and loss account	10	1,091,797	961,632
		<u><u>2,052,442</u></u>	<u><u>2,016,558</u></u>

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 Company has opted not to file the profit and loss account or director's report 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 on

J L R O'Donnell
Director

The notes on pages 3 to 9 form part of these financial statements.

K J O'Donnell
Director

R J O'DONNELL LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 5 APRIL 2017

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 6 April 2015	100	1,054,826	930,868	1,985,794
Comprehensive income for the year				
Profit for the year	-	-	30,764	30,764
Total comprehensive income for the year	-	-	30,764	30,764
At 6 April 2016	100	1,054,826	961,632	2,016,558
Comprehensive income for the year				
Profit for the year	-	-	35,884	35,884
Total comprehensive income for the year	-	-	35,884	35,884
Transfer from revaluation reserve	-	-	94,281	94,281
Transfer to profit and loss account	-	(94,281)	-	(94,281)
Total transactions with owners	-	(94,281)	94,281	-
At 5 April 2017	100	960,545	1,091,797	2,052,442

R J O'DONNELL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

1. General information

R J O'Donnell Ltd is a private limited company registered in Scotland. The address of its registered office is 16 Claremont Crescent, Edinburgh, EH7 4HX. The principal activity of the business is Management of Rental Properties.

2. Accounting policies

2.1 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 financial statements are prepared in Sterling, and is the functional currency of the company. Monetary amounts in the financial statements have been rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 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.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model 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.

R J O'DONNELL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Heritable property	-	NIL
Plant & machinery	-	15.00% Reducing balance
Fixtures & fittings	-	10.00% Reducing balance
Computer equipment	-	33.33% Straight Lline

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 Profit and Loss Account.

No depreciation is provided on the company's heritable property. It is the director's belief that the residual value of the property is at least equal to the book value. Having regard to this, it is considered that the depreciation of any such property as required by the Companies Act 2006 and standard accounting practices would not be material.

Heritable property is reviewed for impairment at the end of each year in accordance with requirements of Financial Reporting Standard 11. An impairment review comprises of a comparison of the carrying amount of the asset with its recoverable amount, being the higher of net realisable value and value in use. An asset is impaired to the extent that the carrying value exceeds the recoverable amount.

2.4 Revaluation of tangible fixed assets

Investment properties are included in the Balance Sheet at their open market value in accordance with Financial Reporting Standard 102 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Profit and Loss Account unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

2. Accounting policies (continued)

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.

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 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 Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 Finance costs

Finance costs are charged to the Profit and Loss Account 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.

2.9 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

2. Accounting policies (continued)

2.10 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

2.11 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 Profit and Loss Account 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.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 3).

R J O'DONNELL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

4. Tangible fixed assets

	Investment properties £	Plant & machinery £	Fixtures & fittings £	Other fixed assets £	Total £
Cost or valuation					
At 6 April 2016	2,107,288	99,266	79,806	108,931	2,395,291
Additions	-	-	-	15,454	15,454
Disposals	(110,000)	-	-	(15,454)	(125,454)
At 5 April 2017	<u>1,997,288</u>	<u>99,266</u>	<u>79,806</u>	<u>108,931</u>	<u>2,285,291</u>
Depreciation					
At 6 April 2016	-	91,849	48,504	-	140,353
Charge for the year on owned assets	-	1,113	3,130	-	4,243
At 5 April 2017	<u>-</u>	<u>92,962</u>	<u>51,634</u>	<u>-</u>	<u>144,596</u>
Net book value					
At 5 April 2017	<u>1,997,288</u>	<u>6,304</u>	<u>28,172</u>	<u>108,931</u>	<u>2,140,695</u>
At 5 April 2016	<u>2,107,288</u>	<u>7,417</u>	<u>31,302</u>	<u>108,931</u>	<u>2,254,938</u>

5. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	275,535	103,162
Less: bank overdrafts	-	(3,722)
	<u>275,535</u>	<u>99,440</u>

R J O'DONNELL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	-	3,722
Associate loan	100,514	100,000
Social security	5,187	19,421
Credit card	119	9
Corporation tax	38,142	14,760
VAT	6,088	7,058
Director's loans	108,548	134,489
Accruals and deferred income	28,247	32,083
	<u>286,845</u>	<u>311,542</u>

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

	2017 £	2016 £
Other creditors	<u>20,000</u>	<u>30,000</u>

8. Deferred taxation

	2017 £
Charged to profit or loss	(56,943)
At end of year	<u>(56,943)</u>

The provision for deferred taxation, which is calculated based on a top rate 17% is made up as follows:

	2017 £
Accelerated capital allowances	(4,927)
Capital gains	(52,016)
	<u>(56,943)</u>

R J O'DONNELL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

9. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

10. Reserves

Revaluation reserve

The revaluation reserve represents the surplus on revaluation on the original cost of investment properties.

Profit & loss account

The profit and loss account includes all current and prior periods retained profits and losses.

11. Related party transactions

As at 5th April 2017 the company was due £100,514 (2016: £100,000) to the wife of one of the directors. As at the 5th April 2017 the company was due £128,109 (2016: £134,278) to J L R O'Donnell a director of the company and £439 (2016: £30,211) to K O'Donnell also a director of the company.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss. The date of transision was 6 April 2015, and the date of the final set of financial statements prepared under the previous framework was 5 April 2016.