

Company Registration No. 02854194 (England and Wales)

TYNE REGION NORTH LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019
PAGES FOR FILING WITH REGISTRAR



TYNE REGION NORTH LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|--|-------|-------------------|--------------------------|-------------------|--------------------------|
| Fixed assets | | | | | |
| Intangible assets | 3 | | 74,700 | | 83,000 |
| Tangible assets | 4 | | 619,259 | | 697,683 |
| Investment properties | 5 | | 8,331,500 | | 8,331,500 |
| | | | <u>9,025,459</u> | | <u>9,112,183</u> |
| Current assets | | | | | |
| Work in progress | | 1,321,858 | | 1,321,858 | |
| Debtors | 6 | 12,875,227 | | 13,238,581 | |
| Cash at bank and in hand | | 931,373 | | 1,356,669 | |
| | | <u>15,128,458</u> | | <u>15,917,108</u> | |
| Creditors: amounts falling due within one year | 7 | (3,966,848) | | (4,841,644) | |
| Net current assets | | | <u>11,161,610</u> | | <u>11,075,464</u> |
| Total assets less current liabilities | | | <u>20,187,069</u> | | <u>20,187,647</u> |
| Creditors: amounts falling due after more than one year | 8 | | (5,177,200) | | (5,251,400) |
| Provisions for liabilities | | | <u>(466,287)</u> | | <u>(449,658)</u> |
| Net assets | | | <u><u>14,543,582</u></u> | | <u><u>14,486,589</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 20,000 | | 20,000 |
| Other reserves | | | 4,849,089 | | 4,849,089 |
| Profit and loss reserves | | | 9,674,493 | | 9,617,500 |
| Total equity | | | <u><u>14,543,582</u></u> | | <u><u>14,486,589</u></u> |

TYNE REGION NORTH LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2019

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 20 September 2019 and are signed on its behalf by:



P M Tanner
Director

TYNE REGION NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Tyne Region North Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Turnover

Turnover represents rent receivable from both residential and commercial lets and other fees including residential tenant fees, management fees, retained bonds and rechargeable maintenance.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|----------------------------------|-----------------------------|
| Freehold property | 20 years straight line |
| Mooring leaseholds | 20 years straight line |
| Fixtures, fittings and equipment | 5 to 20 years straight line |
| Motor vehicles | 4 years straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

TYNE REGION NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Work in progress

Work in progress is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the work in progress to their present condition.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade, other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade, other creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

TYNE REGION NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 16 (2018: 14).

3 Intangible fixed assets

| | Goodwill |
|------------------------------------|-----------------|
| | £ |
| Cost | |
| At 1 April 2018 and 31 March 2019 | 166,000 |
| Amortisation and impairment | |
| At 1 April 2018 | 83,000 |
| Amortisation charged for the year | 8,300 |
| At 31 March 2019 | 91,300 |
| Carrying amount | |
| At 31 March 2019 | 74,700 |
| At 31 March 2018 | 83,000 |

TYNE REGION NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Tangible fixed assets

| | Freehold property | Mooring leaseholds | Fixtures, fittings and equipment | Motor vehicles | Total |
|------------------------------------|----------------------|-----------------------|--|-------------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost or valuation | | | | | |
| At 1 April 2018 | 461,250 | 197,000 | 367,089 | 134,330 | 1,159,669 |
| Additions | - | - | 3,854 | 19,798 | 23,652 |
| Disposals | - | (53,000) | - | - | (53,000) |
| At 31 March 2019 | 461,250 | 144,000 | 370,943 | 154,128 | 1,130,321 |
| Depreciation and impairment | | | | | |
| At 1 April 2018 | - | - | 359,217 | 102,769 | 461,986 |
| Depreciation charged in the year | - | 28,800 | 2,320 | 17,956 | 49,076 |
| At 31 March 2019 | - | 28,800 | 361,537 | 120,725 | 511,062 |
| Carrying amount | | | | | |
| At 31 March 2019 | 461,250 | 115,200 | 9,406 | 33,403 | 619,259 |
| At 31 March 2018 | 461,250 | 197,000 | 7,872 | 31,561 | 697,683 |

The company's mooring leaseholds were valued by the directors at 31 March 2019. The directors consider these valuations accurately reflect the market value of these assets.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

| | 2019 £ | 2018 £ |
|--------------------------|-----------|-----------|
| Cost | 533,771 | 533,771 |
| Accumulated depreciation | (131,048) | (131,048) |
| Carrying value | 402,723 | 402,723 |

5 Investment properties

| | 2019 £ |
|-----------------------------------|-----------|
| Fair value | |
| At 1 April 2018 and 31 March 2019 | 8,331,500 |

Investment properties comprise freehold and long leasehold residential properties. The fair value of the investment properties has been arrived at on the basis of a valuation carried out by the directors on 31 March 2019. No professional valuation took place during the year.

TYNE REGION NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

6 Debtors

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 6,121 | 23,477 |
| Other debtors | 12,869,106 | 13,215,104 |
| | <u>12,875,227</u> | <u>13,238,581</u> |

7 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|------------------|
| Bank loans | 92,450 | 110,700 |
| Trade creditors | 89,766 | 85,171 |
| Corporation tax | 35,173 | 7,880 |
| Other taxation and social security | 15,321 | 29,515 |
| Other creditors | 3,734,138 | 4,608,378 |
| | <u>3,966,848</u> | <u>4,841,644</u> |

Bank loans of £92,450 (2018: £110,700) are secured by fixed charges over the company's investment property portfolio.

8 Creditors: amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|------------|------------------|------------------|
| Bank loans | <u>5,177,200</u> | <u>5,251,400</u> |

Bank loans of £5,177,200 (2018: £5,251,400) are secured by fixed charges over the company's investment property portfolio.

9 Provisions for liabilities

| | 2019 £ | 2018 £ |
|--------------------------|----------------|----------------|
| Deferred tax liabilities | <u>466,287</u> | <u>449,658</u> |

TYNE REGION NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

10 Other reserves

| | 2019 £ | 2018 £ |
|-------------------------------|------------------|------------------|
| At beginning of year | 4,849,089 | 5,047,810 |
| Transfer to retained earnings | - | (198,721) |
| At end of year | <u>4,849,089</u> | <u>4,849,089</u> |

11 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

| | Management charges receivable | | Remuneration paid | |
|--|----------------------------------|------------------|-------------------|-----------|
| | 2019 £ | 2018 £ | 2019 £ | 2018 £ |
| Owners holding a participating interest in the company | - | - | 845,000 | 1,125,000 |
| Connected companies | <u>1,325,000</u> | <u>1,400,000</u> | <u>-</u> | <u>-</u> |

The following amounts were outstanding at the reporting end date:

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Amounts due to related parties | | |
| Owners holding a participating interest in the company | <u>3,270,599</u> | <u>4,058,699</u> |

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash.

The following amounts were outstanding at the reporting end date:

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Amounts due from related parties | | |
| Connected companies | <u>11,338,119</u> | <u>10,873,634</u> |

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash.

12 Parent company

The company's immediate and ultimate parent undertaking is Sandco 1195 Limited, a company incorporated in England and Wales.