

**Company Registration No. 05330771**

**RMG JC Limited**

**Financial statements  
for the year ended 31 December 2011**

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**RMG JC Limited**  
**Financial statements for the year ended 31 December 2011**

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**Company information**

Company registration number	05330771
Registered Office	RMG House Essex Road Hoddesdon Hertfordshire EN11 0DR
Directors	H McGeever A Inglis
Company secretary	C Ye
Bankers	Bank of Scotland plc The Mound Edinburgh EH1 1YZ  Lloyds Banking Group Corporate Markets 1 <sup>st</sup> Floor Princess House 1 Suffolk Lane London EC4R 0AX
Independent auditor	Deloitte LLP Global House High Street Crawley West Sussex RH10 1DL

## **Directors' report**

The directors present their report and the audited financial statements of RMG JC Limited for the year ended 31 December 2011

### **Principal activities**

The principal activity of the company during the year was the management of residential housing in the private sector. At the date of this report the directors were not aware of any likely major changes to the activities of the company for the year ahead.

The company is a wholly owned subsidiary of Residential Management Group Limited, a company registered in England and Wales.

### **Directors**

The directors who served the company during the year were as follows:

H McGeever  
A Inglis  
A Jenkinson (resigned 7 April 2011)

### **Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Information provided to the auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- 1 so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- 2 the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Directors' report (continued)**

**Independent auditor**

The company has no requirement to hold annual general meetings. Accordingly, subject to the receipt of any objections as provided under statute or the company's Articles of Association, the company is relying on the provisions for the deemed reappointment of Deloitte LLP as auditors as provided in the Companies Act 2006, s 485.

**Small companies' exemption**

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



H McGeever  
Director

11<sup>th</sup> June 2012

## **Independent auditor's report to the members of RMG JC Limited**

We have audited the financial statements of RMG JC Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of RMG JC Limited (continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Matthew Coulson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Crawley, United Kingdom

14 June 2012

**Profit and loss account for the year ended 31 December 2011**

	Notes	2011 £ 000	2010 £ 000
<b>Turnover</b>	2	<b>217</b>	<b>274</b>
Administrative expenses		<b>(179)</b>	<b>(281)</b>
<b>Operating profit / (loss)</b>		<b>38</b>	<b>(7)</b>
Net interest receivable		-	-
<b>Profit / (loss) on ordinary activities before taxation</b>	3	<b>38</b>	<b>(7)</b>
Tax on profit / (loss) on ordinary activities	5	-	-
<b>Profit / (loss) for the financial year</b>	12	<b>38</b>	<b>(7)</b>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above and, accordingly, no statement of total recognised gains and losses is presented



**Balance sheet as at 31 December 2011**

	Notes:	2011 £ 000	2010 £ 000
<b>Fixed assets</b>			
Tangible assets	6	-	-
<b>Current assets</b>			
Debtors	7	8	9
Cash at bank		13	76
		<u>21</u>	<u>85</u>
<b>Creditors' amounts falling due within one year</b>	8	(2,081)	(2,112)
<b>Net current liabilities</b>		<u>(2,060)</u>	<u>(2,027)</u>
Total assets less current liabilities		(2,060)	(2,027)
Provisions for liabilities	9	(12)	(83)
<b>Net liabilities</b>		<u>(2,072)</u>	<u>(2,110)</u>
<b>Capital and reserves</b>			
Called-up share capital	11	-	-
Profit and loss account deficit	12	(2,072)	(2,110)
<b>Shareholders' deficit</b>	13	<u>(2,072)</u>	<u>(2,110)</u>

These financial statements of RMG JC Limited, company registration number 05330771 were approved by the directors on 11<sup>th</sup> June 2012 and are signed on their behalf by



H McGeever  
Director

## **Notes to the financial statements**

### **1 Accounting policies**

The principal accounting policies adopted by the company are set out below. The directors have reviewed the accounting policies and conclude that they remain appropriate and that they have been applied consistently in the preparation of the financial statements.

#### **Basis of preparation**

These financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with United Kingdom applicable accounting standards.

#### **Going concern**

The Directors have reviewed all available information and have concluded that the company has adequate resources to continue as a going concern for the foreseeable future. The company requires continued support from their immediate parent company Residential Management Group Limited for the provision of working capital to meet its liabilities as they fall due. The directors, having reviewed confirmation of that support, have assessed the ability of their parent company to provide this continued support and as a result have prepared these accounts on the going concern basis.

#### **Turnover**

Turnover shown in the profit and loss account is in respect of services rendered during the period, exclusive of Value Added Tax.

#### **Current taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Deferred taxation**

Deferred taxation is provided in full on material timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Fixed assets**

All fixed assets are recorded at cost less accumulated depreciation. Management regularly reviews the carrying value of fixed assets and makes necessary charges for impairment when the carrying value is deemed to be inappropriate.

#### **Depreciation**

Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	5 years	straight line
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## **Notes to the financial statements (continued)**

### **1 Accounting policies (Continued)**

#### **Provisions**

Provisions are recognised when the company has a present obligation as result of a past event which will result in a probable outflow of economic benefits that can be reasonably estimated

#### **Cash flow statement**

The company has taken advantage of the exemption, as conferred by Financial Reporting Standard 1 'Cash Flow Statements' (revised 1996), not to produce a cash flow statement, being a subsidiary undertaking where 100% of the voting rights are controlled within the group. The consolidated financial statements of Caley Limited, in which it is included, are publicly available.

### **2 Turnover and profit / (loss) on ordinary activities before taxation**

The turnover and profit / (loss) on ordinary activities before taxation are attributable to the company's principal activity which is wholly undertaken in the United Kingdom.

### **3 Profit / (loss) on ordinary activities before taxation**

#### **Services provided by the company's auditor**

Fees of £1k (2010: £6k) payable to the company's auditor for the audit of the company's accounts were borne by Residential Management Group Limited, the company's immediate parent in both 2011 and 2010.

No fees were payable to the company's auditor and their associates for other services to the company.

### **4 Directors and employees**

The average number of persons employed by the company during the financial year, excluding the directors, was 1 (2010: 1).

The aggregate payroll costs of the above were

	<b>2011</b>	<b>2010</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	<b>56</b>	65
Social security costs	<b>5</b>	5
	<b>61</b>	<b>70</b>

The directors of the company did not receive any remuneration for their services during the year (2010: £nil).

**Notes to the financial statements (continued)**

**5 Taxation on profit / (loss) on ordinary activities**

**(a) Analysis of tax on profit / (loss) on ordinary activities**

There is no tax payable for the current year (2010 £ nil)

**(b) Factors affecting the tax charge for the current period**

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK

The differences are explained below

	<b>2011 £000</b>	<b>2010 £000</b>
Profit / (loss) on ordinary activities before tax	<b>38</b>	<b>(7)</b>
Tax at 26.5% (2010 28.0%) thereon	<b>10</b>	<b>(2)</b>
Effects of		
Capital allowances in excess of depreciation	-	(5)
Group relief surrendered for nil consideration	<b>(10)</b>	<b>7</b>
Current tax charge for the year	<b>-</b>	<b>-</b>

**(c) Factors affecting future tax charge**

Deferred tax assets of £636k (2010 £692k), relating to accelerated capital allowances £23k (2010 £20k) and other short term timing differences £613k (2010 £672k), have not been recognised as there is currently insufficient evidence that the assets will be recovered. The assets may be recoverable if there are suitable taxable profits in the future.

The Finance Act 2011, which provides for a reduction in the main rate of corporation tax from 26% to 25% effective from 1 April 2012, was substantively enacted on 19 July 2011. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

Subsequently the Government has further reduced the main rate of corporate tax from 25% to 24% effective from 1 April 2012. As this was not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

The Government intends to enact future reductions in the main tax rate of 1% each year down to 22% by 1 April 2014. We estimate that the future rate changes to 22% would further reduce our UK deferred tax asset unrecognised at 31 December 2011 of £636k (amount calculated at 25%) to £560k (calculated at 22%). The actual impact will be dependent on our deferred tax position at that time.

**Notes to the financial statements (continued)**

**6 Tangible fixed assets**

	Computer equipment £000
<b>Cost:</b>	
At 1 January December 2011	80
<b>At 31 December 2011</b>	<b>80</b>
<b>Depreciation:</b>	
At 1 January December 2011	80
<b>At 31 December 2011</b>	<b>80</b>
<b>Net book value:</b>	
<b>At 31 December 2011</b>	<b>-</b>
At 31 December 2010	-

**7 Debtors**

	2011 £ 000	2010 £ 000
Trade debtors	8	6
Other debtors	-	3
	<b>8</b>	<b>9</b>

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

	2011 £ 000	2010 £ 000
Amounts due to group undertakings	2,069	2,098
Other taxation and social security	12	14
	<b>2,081</b>	<b>2,112</b>

**9 Provisions for liabilities**

	Claims £ 000
At beginning of year	83
New provisions	3
Released	(55)
Utilised	(19)
<b>At end of year</b>	<b>12</b>

The claims provision relates to claims notified, the exact amount and timing of which are not determined

**Notes to the financial statements (continued)**

**10 Related party transactions**

The company has taken advantage of the exemption, as conferred by Financial Reporting Standard No 8 'Related Party Disclosures', not to disclose transactions with other members of the group headed by the ultimate holding company, Caley SPV Limited

**11 Share capital**

	2011 £	2010 £
Allotted and called up share capital		
100 (2010 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**12 Profit and loss account deficit**

	2011 £ 000	2010 £ 000
Balance brought forward	(2,110)	(2,103)
Profit / (loss) for the financial year	38	(7)
Balance carried forward	<u>(2,072)</u>	<u>(2,110)</u>

**13 Reconciliation of movements in shareholders' deficit**

	2011 £ 000	2010 £ 000
Opening shareholders' deficit	(2,110)	(2,103)
Profit / (loss) for the financial year	38	(7)
Closing shareholders' deficit	<u>(2,072)</u>	<u>(2,110)</u>

**14 Ultimate parent undertaking and controlling party**

The immediate parent company of RMG JC Limited is Residential Management Group Limited, a company incorporated in England and Wales, with its registered address at RMG House, Essex Road, Hoddesdon, Herts, EN11 0DR. Residential Management Group Limited is the smallest group within which the financial statements of RMG JC Limited are included. The immediate parent company of Residential Management Group Limited is Caley Limited, a company incorporated in England & Wales with its registered address is at 3<sup>rd</sup> Floor, Sunley House, Bedford Park, Croydon, CR0 2AP.

Caley SPV Limited, a company incorporated in England & Wales with its registered address at 3<sup>rd</sup> Floor, Sunley House, Bedford Park, Croydon, CR0 2AP is the ultimate parent company of RMG JC Limited and is the largest group within which the financial statements of RMG JC Limited are included.

The individual financial statements of the Company are incorporated in the group financial statements of Caley SPV Limited. Copies of the consolidated accounts of Caley SPV Limited may be obtained from the registered address.

The directors do not consider that there is an ultimate controlling party.