

Company Registration No. 05773268 (England and Wales)

SERENITY IN THE CITY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

SERENITY IN THE CITY LIMITED

COMPANY INFORMATION

Directors	T P Maxfield J Maxfield
Secretary	J Maxfield
Company number	05773268
Registered office	Flass Vale Hall Crossgate Moor Durham DH1 4HR
Accountants	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG

SERENITY IN THE CITY LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 8

SERENITY IN THE CITY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		108,575		126,730
Investment properties	3		1,000,000		1,000,000
			<u>1,108,575</u>		<u>1,126,730</u>
Current assets					
Debtors	4	107,728		101,027	
Cash at bank and in hand		34,902		13,228	
		<u>142,630</u>		<u>114,255</u>	
Creditors: amounts falling due within one year	5	(26,157)		(5,471)	
Net current assets			<u>116,473</u>		<u>108,784</u>
Total assets less current liabilities			<u>1,225,048</u>		<u>1,235,514</u>
Creditors: amounts falling due after more than one year	6		(1,434,173)		(1,480,012)
Net liabilities			<u>(209,125)</u>		<u>(244,498)</u>
Capital and reserves					
Called up share capital	7		1,200,100		1,200,100
Profit and loss reserves			(1,409,225)		(1,444,598)
Total equity			<u>(209,125)</u>		<u>(244,498)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

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.

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

SERENITY IN THE CITY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 26 September 2017 and are signed on its behalf by:

T P Maxfield
Director

Company Registration No. 05773268

SERENITY IN THE CITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Serenity In The City Limited is a private company limited by shares incorporated in England and Wales. The registered office is Flass Vale Hall, Crossgate Moor, Durham, DH1 4HR.

1.1 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 investment properties at fair value. The principal accounting policies adopted are set out below.

Transition to FRS 102

These financial statements for the year ended 31 December 2016 are the first financial statements of Serenity In The City Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for rents provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 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:

Leasehold improvements	Over the period of the lease
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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.

SERENITY IN THE CITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand.

1.8 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 in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

SERENITY IN THE CITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

SERENITY IN THE CITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

2 Tangible fixed assets

	Leasehold improvements £
Cost	
At 1 January 2016 and 31 December 2016	272,322
Depreciation and impairment	
At 1 January 2016	145,592
Depreciation charged in the year	18,155
At 31 December 2016	163,747
Carrying amount	
At 31 December 2016	108,575
At 31 December 2015	126,730

3 Investment property

	2016 £
Fair value	
At 1 January 2016 and 31 December 2016	1,000,000

Investment property comprises of a premises in Newcastle upon Tyne. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2016 by the director. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

4 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts due from group undertakings	82,061	82,061
Other debtors	25,667	18,966
	107,728	101,027

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Corporation tax	3,714	1,697
Other creditors	22,443	3,774
	26,157	5,471

SERENITY IN THE CITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	1,434,173	1,480,012

7 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1,200,100 Ordinary shares of £1 each	1,200,100	1,200,100
	1,200,100	1,200,100

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2016 £	2015 £
Total lease commitments	36,866	35,166

9 Related party transactions

Included within other creditors falling due in more than one year is an amount of £1,434,173 (2015: £1,480,012) owed to a director. There are no set terms as to repayment or interest accrued thereon.

SERENITY IN THE CITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Prior period adjustment

A prior year adjustment has been made in respect of a material error identified in the financial statements for the year ended 31 December 2014. Previously, freehold land and buildings has been held at historic cost of £1,397,635 within tangible fixed assets, however the land and buildings is an investment property and should be held at fair value.

The prior year adjustment has been made to reallocate freehold land and buildings from tangible fixed assets to investment properties. The fair of the property as at 31 December 2014 was £1,000,000. The impact of the adjustment has led to a reduction in opening reserves at 1 January 2015 of £397,635.

Changes to the balance sheet

	At 31 December 2015			As restated £
	As previously reported £	Adjustment at 1 Jan 2015 £	Adjustment at 31 Dec 2015 £	
Fixed assets				
Tangible assets	1,524,365	(1,397,635)	-	126,730
Investment properties	-	1,000,000	-	1,000,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net assets	153,137	(397,635)	-	(244,498)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital and reserves				
Profit and loss	(1,046,963)	(397,635)	-	(1,444,598)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.