

**Unaudited Financial Statements for the Year Ended 31 December 2016**

**for**

**R Square Properties Limited**

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**R Square Properties Limited**

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**for the Year Ended 31 December 2016**

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**R Square Properties Limited**

**Company Information**  
**for the Year Ended 31 December 2016**

**DIRECTORS:**

Shamir Pravinchandra Budhdeo  
Amarjit Singh Hundal  
Joshy Mathew

**REGISTERED OFFICE:**

Unit 4 York House  
Wolsey Business Park  
Tolpits Lane  
Rickmansworth  
WD18 9BL

**REGISTERED NUMBER:**

06531568 (England and Wales)



**R Square Properties Limited (Registered number: 06531568)**

**Balance Sheet**  
**31 December 2016**

	Notes	31.12.16	31.12.15
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	3	194,170	23,075
Investment property	4	14,988,679	15,230,880
		<hr/>	<hr/>
		15,182,849	15,253,955
<b>CURRENT ASSETS</b>			
Debtors	5	4,052,749	238,912
Cash at bank		7,273	65,725
		<hr/>	<hr/>
		4,060,022	304,637
<b>CREDITORS</b>			
Amounts falling due within one year	6	1,248,169	3,024,091
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		2,811,853	(2,719,454)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		17,994,702	12,534,501
<b>CREDITORS</b>			
Amounts falling due after more than one year	7	(6,013,732)	(733,302)
<b>PROVISIONS FOR LIABILITIES</b>	9	(2,049,319)	(2,058,790)
		<hr/>	<hr/>
<b>NET ASSETS</b>		9,931,651	9,742,409
		<hr/>	<hr/>

The notes form part of these financial statements



**R Square Properties Limited (Registered number: 06531568)**

**Balance Sheet - continued**  
**31 December 2016**

	Notes	31.12.16 £	31.12.15 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Retained earnings	11	9,931,551	9,742,309
<b>SHAREHOLDERS' FUNDS</b>		<u>9,931,651</u>	<u>9,742,409</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.


The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 27 September 2017 and were signed on its behalf by:

  
Joshy Mathew - Director

The notes form part of these financial statements



## **R Square Properties Limited**

### **Notes to the Financial Statements** **for the Year Ended 31 December 2016**

#### **1. STATUTORY INFORMATION**

R Square Properties Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

##### **Turnover**

Turnover represents rents receivable during the period excluding value added tax.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Motor vehicles	- 30% on reducing balance
Furniture, fixture & equipment	- 30% on reducing balance

##### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.



**R Square Properties Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**3. TANGIBLE FIXED ASSETS**

	Motor vehicles £	Furniture, fixture & equipment £	Totals £
<b>COST</b>			
At 1 January 2016	-	32,965	32,965
Additions	237,840	16,470	254,310
	<hr/>	<hr/>	<hr/>
At 31 December 2016	237,840	49,435	287,275
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 January 2016	-	9,890	9,890
Charge for year	71,352	11,863	83,215
	<hr/>	<hr/>	<hr/>
At 31 December 2016	71,352	21,753	93,105
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 December 2016	166,488	27,682	194,170
	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	23,075	23,075
	<hr/>	<hr/>	<hr/>



**R Square Properties Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**3. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £	Furniture, fixture & equipment £	Totals £
<b>COST</b>			
Additions	237,840	16,293	254,133
At 31 December 2016	237,840	16,293	254,133
<b>DEPRECIATION</b>			
Charge for year	71,352	4,888	76,240
At 31 December 2016	71,352	4,888	76,240
<b>NET BOOK VALUE</b>			
At 31 December 2016	166,488	11,405	177,893

**4. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 January 2016	15,230,880
Additions	662,799
Disposals	(726,149)
Revaluations	(178,851)
At 31 December 2016	14,988,679
<b>NET BOOK VALUE</b>	
At 31 December 2016	14,988,679
At 31 December 2015	15,230,880

Investment properties were valued on the basis of open market value as at 31 December 2016 by the Directors of the company based upon their knowledge of similar property sales in the locality and other market intelligence.



**R Square Properties Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**4. INVESTMENT PROPERTY - continued**

Cost or valuation at 31 December 2016 is represented by:

	£
Valuation in 2014	368,380
Valuation in 2015	10,669,221
Valuation in 2016	(178,851)
Cost	4,129,929
	<hr/>
	14,988,679
	<hr/>

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.16	31.12.15
	£	£
Trade debtors	269,624	2,200
Amounts owed by group undertakings	3,778,527	36,337
Other debtors	1,704	200,375
Prepayments	2,894	-
	<hr/>	<hr/>
	4,052,749	238,912
	<hr/>	<hr/>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.16	31.12.15
	£	£
Bank loans and overdrafts	352,620	2,272,464
Hire purchase contracts	18,808	-
Trade creditors	384,227	359,451
Amounts owed to group undertakings	-	30,000
Tax	57,381	42,502
VAT	88,993	67,695
Other creditors	2,175	29,408
Deferred income	149,665	143,334
Accrued expenses	194,300	79,237
	<hr/>	<hr/>
	1,248,169	3,024,091
	<hr/>	<hr/>



**R Square Properties Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.16	31.12.15
	£	£
Bank loans - 1-2 years	5,589,774	65,960
Bank loans - 2-5 years	127,395	203,877
Bank loans more 5 yr by instal	128,077	454,332
Hire purchase contracts	168,486	-
Other loans	-	9,133
	<u>6,013,732</u>	<u>733,302</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>128,077</u>	<u>454,332</u>

**8. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.16	31.12.15
	£	£
Bank loans	<u>6,197,866</u>	<u>2,996,633</u>

The bank loans were secured by the following:-

1. First legal charge over the Freehold and Leasehold properties owned by the company.
2. Debenture charge over the company assets.
3. Floating charge over other assets of the company.

**9. PROVISIONS FOR LIABILITIES**

	31.12.16	31.12.15
	£	£
Deferred tax	<u>2,049,319</u>	<u>2,058,790</u>
		Deferred tax
		£
Balance at 1 January 2016		2,058,790
Credit to Income Statement during year		(9,471)
Balance at 31 December 2016		<u>2,049,319</u>



**R Square Properties Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31.12.16	31.12.15
Number:	Class:		£	£
10,000	Ordinary	1p	100	100
			<u>100</u>	<u>100</u>

**11. RESERVES**

	Retained earnings £
At 1 January 2016	9,742,309
Profit for the year	189,242
	<u>9,931,551</u>
At 31 December 2016	<u>9,931,551</u>

**12. RELATED PARTY DISCLOSURES**

i) The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

ii) The Directors, Shamir P Budhdeo & Amarjit S Hundal had given personal guarantees of £500,000 (31.12.15: £nil) each to a Bank in respect of a secured bank loan taken by the company.

iii) The Directors, Shamir P Budhdeo, Amarjit S Hundal & Joshy Mathew had given joint personal guarantees of £1,000,000 (31.12.15: £nil) to a Bank in respect of a secured bank loan taken by the company.

iv) The Shareholders in the parent company, Mrs Kalpna Budhdeo and Mrs Solange T Hundal had given personal guarantees of £75,000 (31.12.15: £75,000) each to a Bank in respect of a secured bank loan taken by the company.

**13. FIRST YEAR ADOPTION**

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102 ) Section 1A issued by the Financial Reporting Council. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2015 and the date of transition was therefore 1 January 2015. As a consequence of adopting FRS 102 following changes are made upon transition to this accounting standard in the comparative figures.

	£
Revaluation gain included under income statement instead of balance sheet	10,669,221
Revaluation reserve b/f transferred to Profit and Loss b/f in the balance sheet	368,380
Deferred tax provision on the revaluation gain	2,058,790