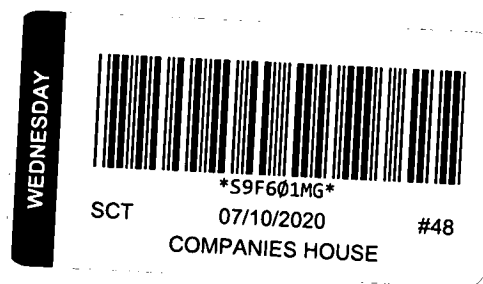


Company Registration No. 06918135 (England and Wales)

**RR SEA DUNDEE LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



# RR SEA DUNDEE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D McDonald SA Campbell
<b>Secretary</b>	Link Market Services Limited
<b>Company number</b>	0618135 (England and Wales)
<b>Registered office</b>	Beaufort House 51 New North Road Exeter United Kingdom EX4 4EP
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 3rd Floor Centenary House 69 Wellington Street Glasgow G2 6HG

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# **RR SEA DUNDEE LIMITED**

## **CONTENTS**

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	<b>Page</b>
Directors' report	<b>1 - 2</b>
Directors' responsibilities statement	<b>3</b>
Independent auditor's report	<b>4 - 5</b>
Statement of comprehensive income	<b>6</b>
Statement of financial position	<b>7</b>
Statement of changes in equity	<b>8</b>
Notes to the financial statements	<b>9 - 14</b>

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# **RR SEA DUNDEE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their annual report and financial statements for the year ended 31 December 2019.

#### **Principal activities**

The principal activity of the company was that of property investment.

#### **Review of Business**

The investment property was sold during the year. Following the disposal, management are considering future opportunities for the company.

#### **Post reporting date events**

Since our year end, the COVID-19 pandemic has caused significant social and economic issues in the UK and globally. As a company operating in the investment property sector, we have assessed the risks to our business arising from this issue. The directors believe that while this may have impacted the company's trade in the short term, they have confidence the company will continue to trade successfully in the long term. Our consideration of the impact on the Going Concern assumption applied in the financial statements is summarised in note 1.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D McDonald  
SA Campbell

#### **Results and dividends**

The profit after taxation for the year ended 31 December 2019 is £48,154 (2018 - loss £15,154). The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Qualifying third party indemnity provisions**

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

#### **Auditor**

RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue to act as auditors to the company.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

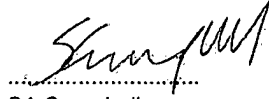
**RR SEA DUNDEE LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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On behalf of the board



SA Campbell

Date: 25/9/20

# **RR SEA DUNDEE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The directors are responsible for preparing the directors' 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 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

# RR SEA DUNDEE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RR SEA DUNDEE LIMITED

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#### Opinion

We have audited the financial statements of RR Sea Dundee Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# RR SEA DUNDEE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF RR SEA DUNDEE LIMITED

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

#### **Use of our report**

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.

*RSM UK Audit LLP*

Linda Gray (Senior Statutory Auditor)

For and on behalf RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3rd Floor Centenary House

69 Wellington Street

Glasgow

G2 6HG

Date: 30 September 2020



# RR SEA DUNDEE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Revenue		162,071	340,608
Cost of sales		11,840	(10,940)
<b>Gross profit</b>		<b>173,911</b>	<b>329,668</b>
Administrative expenses		(30,473)	(76,224)
Fair value loss on revaluation of investment property		-	(180,000)
<b>Operating profit</b>	<b>4</b>	<b>143,438</b>	<b>73,444</b>
Investment income		162	97
Finance costs	<b>6</b>	(95,446)	(88,695)
<b>Profit/(loss) before taxation</b>		<b>48,154</b>	<b>(15,154)</b>
Tax on profit/(loss)	<b>7</b>	-	-
<b>Profit/(loss) and total comprehensive income for the financial year</b>		<b>48,154</b>	<b>(15,154)</b>

# RR SEA DUNDEE LIMITED

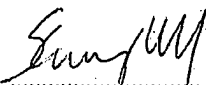
## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Non-current assets</b>					
Investment properties	8		-	4,940,000	
<b>Current assets</b>					
Trade and other receivables	9	2,593,089		170,173	
Cash and cash equivalents		336,239		293,104	
		<u>2,929,328</u>		<u>463,277</u>	
<b>Current liabilities</b>	10	-		(132,962)	
<b>Net current assets</b>			2,929,328	330,315	
<b>Total assets less current liabilities</b>			<u>2,929,328</u>	<u>5,270,315</u>	
<b>Non-current liabilities</b>	11		-	(2,389,141)	
<b>Net assets</b>			<u>2,929,328</u>	<u>2,881,174</u>	
<b>Equity</b>					
Called up share capital	13	1,650,000		1,650,000	
Retained earnings		1,279,328		1,231,174	
<b>Total equity</b>		<u>2,929,328</u>		<u>2,881,174</u>	

These financial statements have been prepared 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 25/9/20 and are signed on its behalf by:



SA Campbell  
Director

Company Registration No. 06918135

# RR SEA DUNDEE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

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	Share capital £	Retained earnings £	Total £
Balance at 1 January 2018	1,650,000	1,246,328	2,896,328
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(15,154)	(15,154)
Balance at 31 December 2018	1,650,000	1,231,174	2,881,174
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	48,154	48,154
Balance at 31 December 2019	1,650,000	1,279,328	2,929,328

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# RR SEA DUNDEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

RR Sea Dundee Limited is a private company limited by shares incorporated in England and Wales. The registered office is Beaufort House, 51 New North Road, Exeter, United Kingdom, EX4 4EP.

#### 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").

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 £.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The directors have made an assessment of the company's ability to continue as a going concern and is satisfied that the company will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. There is no intention to wind-up the company and future opportunities are being considered. Consequently, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

As at the date of the signing of the financial statements, we are aware of the COVID-19 pandemic and the potential impact this could have on the company's ability to trade. The directors continue to monitor the situation closely and have factored the current impact of this into their financial forecasts. Consequently, the directors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

#### 1.3 Revenue

Property rental income is recognised evenly over the term of the lease to which it relates. Surrender premiums received from outgoing tenants prior to the expiry of their leases are included in property rental income when received.

#### 1.4 Investment properties

Investment property is initially measured at cost and subsequently stated at fair value. The gain or loss arising from changes in the fair value are included in the Statement of Comprehensive Income. No depreciation is provided on investment property in line with FRS102 as the directors consider that, because investment properties are not held for consumption, but their investment potential, to depreciate them would not give a true and fair view.

# RR SEA DUNDEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Cash and Cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.6 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Any issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 1.7 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

#### 1.8 Taxation

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

##### **Current tax**

The current income tax charge is calculated on the basis of tax laws and rates that have been enacted or substantially enacted by the reporting date in the UK. Taxation is recognised in the income statement.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

#### 1.9 Lease incentives

Lease incentives which enhance the investment property are added to the cost of the investment property. Where a lease incentive does not enhance the property, it is amortised over the period to the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period from the date of the lease commencement to the end of the lease term.

#### 1.10 Reserves

Retained earnings consists of historical profit and losses less dividends and other adjustments.

# RR SEA DUNDEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and revenue and expenses during the reported period. These estimates and assumptions are based on management's best knowledge at that time. Actual outcomes may differ from the estimates used.

Management have confirmed that no significant estimates or assumptions have been made in preparation of the financial statements.

### 3 Revenue

Revenue represents the value of rental income during the year, excluding value added tax and arises solely within the United Kingdom.

### 4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Fair value loss on revaluation of investment property	-	180,000

The audit fee for 2019 and for the comparative period 2018 is charged to and met by a fellow subsidiary under common control within the group.

### 5 Employees

There were no staff costs for the year ended 31 December 2019 nor for the year ended 31 December 2018.

The directors are remunerated by fees charged to the ultimate parent company, Regional REIT Limited.

### 6 Finance costs

	2019	2018
	£	£
Interest on bank overdrafts and loans	57,783	69,298
Amortisation of debt issue costs	37,663	19,397
	<u>95,446</u>	<u>88,695</u>

### 7 Taxation

No liability to UK or Jersey taxation arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

# RR SEA DUNDEE LIMITED

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

### 8 Investment property

	2019 £
Fair value	
At 1 January 2019	4,940,000
Disposals	(4,940,000)
	<u>          </u>
At 31 December 2019	<u>          </u>

The company's investment property was not revalued at 31 December 2019 as the property had been sold during the period for proceeds equal to the carrying fair value.

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

	2019 £	2018 £
Cost	<u>          </u>	<u>4,583,588</u>

### 9 Trade and other receivables

	2019 £	2018 £
Amounts falling due within one year:		
Amounts owed by group undertakings	2,592,268	-
Other receivables	821	-
Prepayments and accrued income	-	170,173
	<u>2,593,089</u>	<u>170,173</u>

### 10 Current liabilities

	2019 £	2018 £
Trade payables	-	4,641
Taxation and social security	-	17,183
Other payables	-	3,285
Accruals and deferred income	-	107,853
	<u>          </u>	<u>132,962</u>

# RR SEA DUNDEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 Non-current liabilities

	Notes	2019 £	2018 £
Bank loans and overdrafts	12	-	2,389,141

The bank loans are disclosed net of debt issue costs of £nil (2018 - £37,663).

### 12 Borrowings

	2019 £	2018 £
Bank loans - falling due between two and five years	-	2,426,804
Debt issue costs	-	(37,663)
	-	2,389,141

On 2 December 2016, RR Sea Dundee Limited, along with RR Sea St. Helens Limited, RR Sea Hanover Street Limited and RR Sea Strand Ltd, agreed to jointly maintain a 5 year facility with HSBC Bank PLC of up to £21,937,500 of which £19,002,929 has been drawn down. The facility was subject to a maximum loan to value covenant of 65%, and interest cover and debt service cover ratio covenants of 200% and 120%, respectively, with interest payable at LIBOR plus 2.15%. All covenant requirements were met during the year with the facility fully repaid in June 2019.

### 13 Share capital

	2019 £	2018 £
Allotted, issued and fully paid:		
4,125,000 Ordinary shares of 40p each	1,650,000	1,650,000

The company's ordinary shares carry no rights to fixed dividend. Each ordinary share carries the right to one vote at General Meetings of the company.

### 14 Securities & Cross Guarantees

The bank facility held by the company (see note 12) was secured by a first legal charge over Freehold Property known as Compass House, 11 Riverside Drive, Dundee, DD1 4NY.

Further securities held included

- a fixed charge over all present freehold and leasehold property;
- first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and
- first floating charge over all assets and undertaking both present and future.

All properties have now been sold and bank loans repaid in full during the year, thus the company is now released from all charges.



## **RR SEA DUNDEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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#### **15 Ultimate controlling party**

The Company is wholly owned by Regional Commercial Midco Limited, a company registered in Jersey.

Regional REIT Limited is regarded as the controlling party by virtue of being the ultimate parent company of Regional Commercial Midco Limited. Regional REIT Limited is a company registered in Guernsey and its financial statements are publicly available on <http://www.regionalreit.com>.