

Company registration number: 07405235

**UNAUDITED FINANCIAL  
STATEMENTS**

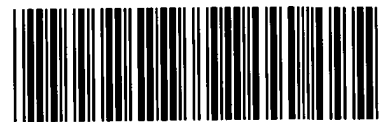
**FOR THE YEAR ENDED  
30 SEPTEMBER 2017**

**RURAL HOUSING TRUST  
LIMITED**

**MENZIES**

BRIGHTER

TUESDAY



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27/02/2018

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COMPANIES HOUSE

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# RURAL HOUSING TRUST LIMITED

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## COMPANY INFORMATION

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<b>Directors</b>	C M Hobden N K Ford
<b>Company secretary</b>	C Woodall
<b>Registered number</b>	07405235
<b>Registered office</b>	54 Weymouth Street London W1G 6NU
<b>Accountants</b>	Menzies LLP Chartered Accountants Lynton House 7-12 Tavistock Square London WC1H 9LT

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# RURAL HOUSING TRUST LIMITED

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# RURAL HOUSING TRUST LIMITED

REGISTERED NUMBER:07405235

## STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	7,224,732	7,023,699
		<u>7,224,732</u>	<u>7,023,699</u>
<b>Current assets</b>			
Debtors		39,765	31,590
Cash at bank and in hand		22,543	17,151
		<u>62,308</u>	<u>48,741</u>
Creditors: amounts falling due within one year	5	(747,337)	(560,948)
<b>Net current liabilities</b>		<u>(685,029)</u>	<u>(512,207)</u>
<b>Total assets less current liabilities</b>		<u>6,539,703</u>	<u>6,511,492</u>
<b>Provisions for liabilities</b>			
Deferred taxation	6	(1,045,999)	(1,045,999)
		<u>(1,045,999)</u>	<u>(1,045,999)</u>
<b>Net assets</b>		<u>5,493,704</u>	<u>5,465,493</u>
<b>Capital and reserves</b>			
Share capital	8	250,010	250,010
Capital redemption reserve		55,200	55,200
Profit and loss account		5,188,494	5,160,283
		<u>5,493,704</u>	<u>5,465,493</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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**RURAL HOUSING TRUST LIMITED**  
**REGISTERED NUMBER:07405235**

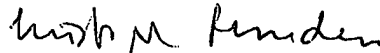
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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 SEPTEMBER 2017**

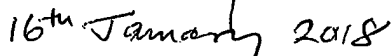
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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**C M Hobden**  
Director



Date:



The notes on pages 3 to 9 form part of these financial statements.

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# RURAL HOUSING TRUST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 1. General information

These accounts have been prepared in compliance with section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Rural Housing Trust Limited is a private limited company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office can be found on the company information page.

The accounts are prepared in GBP which is the functional currency of the company.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Shared ownership investment properties

Investment properties are shown at their open market value, based on the net present value of the future rental income stream from the property, excluding the capital value of unsold interest on the basis that it is the company's policy not to dispose of further property.

The surplus or deficit arising from the revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the Financial Reporting Standard 102 Section 1A, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties held for their investment potential are not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

#### 2.3 Assets in the course of construction

Assets in the course of construction are included in the balance sheet at the cost and impairment will be considered when the assets are transferred to an appropriate fixed asset category on completion.

#### 2.4 Revenue

Turnover represents income (excluding value added tax) from the sale of shared ownership houses and rental income.

#### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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# RURAL HOUSING TRUST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 2. Accounting policies (continued)

#### 2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

#### 2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### 2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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# RURAL HOUSING TRUST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 2. Accounting policies (continued)

#### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3. Employees

The average monthly number of employees during the year was 0 (2016 - 0).



# RURAL HOUSING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 4. Tangible fixed assets

	Shared Ownership investment Properties £	Assets in the course of construction £	Total £
<b>Cost or valuation</b>			
At 1 October 2016	6,857,844	165,855	7,023,699
Additions	2,211,999	195,534	2,407,533
Disposals	(2,206,500)	-	(2,206,500)
At 30 September 2017	<u>6,863,343</u>	<u>361,389</u>	<u>7,224,732</u>
<b>Net book value</b>			
At 30 September 2017	<u>6,863,343</u>	<u>361,389</u>	<u>7,224,732</u>
At 30 September 2016	<u>6,857,844</u>	<u>165,855</u>	<u>7,023,699</u>

The company's interest in shared ownership properties was valued by the directors, who are members of RICS (Royal Institution of Chartered Surveyors), as at 30 September 2017. The valuation is based on the future rental potential of the shared ownership properties by discounting expected future rental cashflows back to a present value at a rate of 5%.

The historical cost convention of investment properties at the balance sheet date was £710,407 (2016: £704,907).

When an occupier of a shared ownership property wants to sell their share, the company purchases it back and resells it immediately to a new occupier; the disposals shown in the above table are not as a result of a change in the company's underlying share of the shared ownership investment properties.

### 5. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	50,140	24,488
Corporation tax	11,371	737
Other creditors	685,826	535,723
	<u>747,337</u>	<u>560,948</u>

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# RURAL HOUSING TRUST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 6. Deferred taxation

	2017 £
At beginning of year	(1,045,999)
Charged to profit or loss	-
<b>At end of year</b>	<b>(1,045,999)</b>

The provision for deferred taxation is made up as follows:

	2017 £
Revaluation of investment property	(1,045,999)
	<b>(1,045,999)</b>

### 7. Contingencies

The company owns a part share in 443 dwellings. Where the occupier's share in a property is financed by a mortgage, the company would theoretically be liable for any losses arising from default leading to repossession of shared properties. A reliable estimate of any potential liability in relation to this cannot be made.

The company has never been called upon to make good losses incurred by mortgage lenders, and no repossessions have taken place in the year.

### 8. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
10 Ordinary shares of £1 each	10	10
250,000 8% Preference shares of £1 each	250,000	250,000
	<b>250,010</b>	<b>250,010</b>

# RURAL HOUSING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 9. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 October 2015. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 October 2015 £	Effect of transition 1 October 2015 £	FRS 102 (as restated) 1 October 2015 £	As previously stated 30 September 2016 £	Effect of transition 30 September 2016 £	FRS 102 (as restated) 30 September 2016 £
Fixed assets	6,837,436	-	6,837,436	7,023,699	-	7,023,699
Current assets	52,955	-	52,955	48,741	-	48,741
Creditors: amounts falling due within one year	(363,389)	-	(363,389)	(560,948)	-	(560,948)
<b>Net current liabilities</b>	<b>(310,434)</b>	<b>-</b>	<b>(310,434)</b>	<b>(512,207)</b>	<b>-</b>	<b>(512,207)</b>
<b>Total assets less current liabilities</b>	<b>6,527,002</b>	<b>-</b>	<b>6,527,002</b>	<b>6,511,492</b>	<b>-</b>	<b>6,511,492</b>
Provisions for liabilities	-	(1,230,587)	(1,230,587)	-	(1,045,999)	(1,045,999)
<b>Net assets</b>	<b>6,527,002</b>	<b>(1,230,587)</b>	<b>5,296,415</b>	<b>6,511,492</b>	<b>(1,045,999)</b>	<b>5,465,493</b>
Capital and reserves	6,527,002	(1,230,587)	5,296,415	6,511,492	(1,045,999)	5,465,493

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# RURAL HOUSING TRUST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 9. First time adoption of FRS 102 (continued)

Explanation of changes to previously reported profit and equity:

#### Revaluation of investment properties

Investment properties are shown at their open market value. In previous years the surplus arising from annual revaluations was transferred to a revaluation reserve. Where investment property is revalued under FRS 102, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

At transition £6,152,937 was transferred from the revaluation reserve to the profit or loss account on conversion to FRS 102 1A as a result of the changes noted above.

#### Deferred taxation

Under previous UK GAAP the company was not required to provide for taxation on revaluations, unless the company had entered into a binding sale agreement and recognised the gain or loss expected to arise. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation.