

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2021

RURAL HOUSING TRUST
LIMITED

MENZIES

RURAL HOUSING TRUST LIMITED

COMPANY INFORMATION

Directors	C M Hobden R J Stephens
Company secretary	C Woodall
Registered number	7405235
Registered office	54 Weymouth Street London W1G 6NU
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

RURAL HOUSING TRUST LIMITED

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RURAL HOUSING TRUST LIMITED

REGISTERED NUMBER:7405235

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	4	100	100
Investment property	5	9,758,628	7,756,676
		<u>9,758,728</u>	<u>7,756,776</u>
Current assets			
Debtors: amounts falling due within one year	6	70,431	48,403
Cash at bank and in hand		18,952	298,866
		<u>89,383</u>	<u>347,269</u>
Creditors: amounts falling due within one year	7	(1,146,385)	(1,348,621)
Net current liabilities		<u>(1,057,002)</u>	<u>(1,001,352)</u>
Total assets less current liabilities		<u>8,701,726</u>	<u>6,755,424</u>
Provisions for liabilities			
Deferred tax		(1,978,574)	(1,157,810)
		<u>(1,978,574)</u>	<u>(1,157,810)</u>
Net assets		<u><u>6,723,152</u></u>	<u><u>5,597,614</u></u>
Capital and reserves			
Called up share capital	9	250,010	250,010
Capital redemption reserve		55,200	55,200
Profit and loss account		6,417,942	5,292,404
		<u><u>6,723,152</u></u>	<u><u>5,597,614</u></u>

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.

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

C M Hobden
Director

Date: 3 February 2022

The notes on pages 2 to 6 form part of these financial statements.

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

1. General information

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 property is carried at fair value determined annually either by external valuers or the directors and derived from current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes to the fair value are recognised in the Statement of Income and Retained Earnings.

Borrowing costs incurred during the course of development are capitalised as part of investment property.

Investment property under construction is valued as if complete, with appropriate deductions for expected cost

to complete and theoretical developer's margin on remaining costs.

Shared ownership investment properties are valued depending on the type of lease, being either HCA or non-HCA. Those that are income-producing assets (HCA leases) are valued periodically by professional external valuers, or otherwise by the directors. Non-income producing properties (non-HCA leases) are valued based on the number of expected conversions to income-producing assets each year. The directors use recent experience of the Company to assess the number of expected conversions to apply per annum when valuing the non-income producing shared ownership investment properties.

2.3 Revenue

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

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

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 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 profit or loss 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.

2.9 Financial instruments

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.9 Financial instruments (continued)

The Company only enters into basic financial instrument 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 ordinary shares.

2.10 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.

3. Employees

The average monthly number of employees, including directors, during the year was 0 (2020 - 0).

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2020	100
At 31 October 2021	100

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

5. Investment property

	Shared ownership investment properties	Property under construction	Total
	£	£	£
Valuation			
At 1 November 2020	7,548,190	208,486	7,756,676
Additions at cost	-	497,078	497,078
Disposals	(134,890)	(185,140)	(320,030)
Surplus on revaluation	1,824,904	-	1,824,904
At 31 October 2021	9,238,204	520,424	9,758,628

The historical cost of investment properties at the balance sheet date was £1,129,582 (2020: £1,454,455).

6. Debtors

	2021 £	2020 £
Trade debtors	57,056	45,597
Other debtors	8,272	2,806
Prepayments and accrued income	5,103	-
	70,431	48,403

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	32,957	39,168
Amounts owed to group undertakings	20,000	-
Corporation tax	34,056	32,329
Other creditors	1,059,372	1,277,124
	1,146,385	1,348,621

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

8. Contingencies

The company owns a part share in 450 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.

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10 (2020 - 10) Ordinary shares of £1.00 each	10	10
250,000 (2020 - 250,000) 8% Preference shares of £1.00 each	250,000	250,000
	<hr/>	<hr/>
	250,010	250,010
	<hr/>	<hr/>

10. Controlling party

The parent of the smallest group for which consolidated financial statements are drawn up is Hobden Capital Limited, a company registered in England and Wales. The registered address of Hobden Capital Limited is 54 Weymouth Street, London, W1G 6NU.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 October 2021 was unqualified.

The audit report was signed on 7 February 2022 by Robin Hopkins FCA (Senior Statutory Auditor) on behalf of Menzies LLP.

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.