

Company registration number 07405235 (England and Wales)

RURAL HOUSING TRUST LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023
PAGES FOR FILING WITH REGISTRAR

RURAL HOUSING TRUST LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 7

RURAL HOUSING TRUST LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investment property	4		10,563,919		9,429,665
Investments	5		100		100
			<u>10,564,019</u>		<u>9,429,765</u>
Current assets					
Debtors	6	142,292		98,801	
Cash at bank and in hand		54,324		12,597	
		<u>196,616</u>		<u>111,398</u>	
Creditors: amounts falling due within one year	7	(1,103,305)		(1,139,920)	
Net current liabilities			<u>(906,689)</u>		<u>(1,028,522)</u>
Total assets less current liabilities			<u>9,657,330</u>		<u>8,401,243</u>
Provisions for liabilities			<u>(1,984,869)</u>		<u>(1,756,611)</u>
Net assets			<u><u>7,672,461</u></u>		<u><u>6,644,632</u></u>
Capital and reserves					
Called up share capital	9		250,010		250,010
Revaluation reserve			7,269,001		8,160,370
Capital redemption reserve			55,200		55,200
Profit and loss reserves			98,250		(1,820,948)
Total equity			<u><u>7,672,461</u></u>		<u><u>6,644,632</u></u>

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

These financial statements have been prepared and delivered 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 January 2024 and are signed on its behalf by:

C M Hobden
Director

Company registration number 07405235 (England and Wales)

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

Company information

Rural Housing Trust Limited is a private company limited by shares incorporated in England and Wales. The registered office is 54 Weymouth Street, London, W1G 6NU.

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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

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

1.3 Investment property

Investment properties are carried at fair value determined annually by the directors with reference to external and internal valuers as appropriate and derived from the 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 in fair value are recognised in the statement of comprehensive income.

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

Share 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 surveyors, or otherwise by the directors. Non-income producing (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.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Borrowing costs

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

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

(Continued)

1.6 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.

1.7 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.

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.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

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

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 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.

1.12 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.

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Investment properties

Investment properties are valued to fair value annually by the directors with reference to third party valuations where available. The company recognises investment properties at fair value, defined as the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and seller in an arm's length transaction. In considering the valuation, the relevant income streams are reviewed, deducting any non-recoverable costs to be incurred by the landlord to arrive at a net income. The income is then capitalised at a market yield which is derived from comparable transactions of similar properties observable in the market. Any refurbishment costs or other capital items are then deducted along with purchaser's costs to arrive at the fair value. The directors of the company assess the carrying value at each reporting date to ensure that the carrying value is adjusted to fair value.

Impairment review

Determine whether there are indicators of impairment of the company's fixed asset investments. Factors taken into consideration in reaching such a determination include the economic viability and expected future financial performance of the investment and whether it is a component of larger cash-generating unit, the viability and expected future performance of that unit.

3 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	-	-

4 Investment property

	2023 £
Fair value	
At 1 November 2022	9,429,665
Additions	54,544
Disposals	(13,790)
Revaluations	1,093,500
At 31 October 2023	10,563,919

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

4 Investment property

(Continued)

The historical cost of investment properties at the balance sheet date was £1,310,049 (2022: £1,269,295).

Included within investment properties are properties under construction totalling £700,891 (2022: £660,137), held for capital appreciation and future rental income. The historical cost of these properties is £700,891 (2022: £660,137).

The investment properties were valued on the basis of fair value at 31 October 2023 by directors of the company with reference to third party valuations where available.

5 Fixed asset investments

	Notes	2023 £	2022 £
Shares in group undertakings and participating interests		100	100
Movements in fixed asset investments			
			Participating interests £
Cost or valuation			
At 1 November 2022 & 31 October 2023			100
Carrying amount			
At 31 October 2023			100
At 31 October 2022			100

6 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	66,326	62,762
Other debtors	70,523	30,706
Prepayments and accrued income	5,443	5,333
	142,292	98,801

7 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	4,883	30,127
Amounts owed to group undertakings	20,000	40,000
Corporation tax	47,141	39,344
Other creditors	1,031,281	1,030,449
	1,103,305	1,139,920

RURAL HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

7 Creditors: amounts falling due within one year

(Continued)

There are no formal arrangements in place for the repayment of amounts owed to group undertakings. Interest is not charged on these balances.

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 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1.00 each of £1 each	10	10	10	10
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference share capital Issued and fully paid				
8% Preference shares of £1.00 each of £1 each	250,000	250,000	250,000	250,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			250,000	250,000
			<u> </u>	<u> </u>
Total equity share capital			250,010	250,010
			<u> </u>	<u> </u>

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 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Giuseppe Scozzaro
Statutory Auditor:	Goodman Jones LLP
Date of audit report:	25 January 2024

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.