

RSLC DEVELOPMENTS LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 AUGUST 2019

RSLC DEVELOPMENTS LTD
REGISTERED NUMBER: 08718447

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	91,037	96,506
Investment property	5	375,000	375,000
		<u>466,037</u>	<u>471,506</u>
Current assets			
Stocks		1,267,763	1,633,511
Debtors: amounts falling due within one year	6	16,033	15,203
		<u>1,283,796</u>	<u>1,648,714</u>
Creditors: amounts falling due within one year	7	(1,404,731)	(1,538,686)
Net current (liabilities)/assets		<u>(120,935)</u>	<u>110,028</u>
Total assets less current liabilities		<u>345,102</u>	<u>581,534</u>
Creditors: amounts falling due after more than one year	8	(181,449)	(506,880)
Provisions for liabilities			
Deferred tax	11	(23,951)	(15,327)
Other provisions		(10,000)	-
		<u>(33,951)</u>	<u>(15,327)</u>
Net assets		<u><u>129,702</u></u>	<u><u>59,327</u></u>
Capital and reserves			
Called up share capital		2	2
Investment property reserve	13	3,749	3,749
Profit and loss account	13	125,951	55,576
		<u><u>129,702</u></u>	<u><u>59,327</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

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 the 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 income statement 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 on 26 August 2020.

.....
R Lond-Caulk
Director

.....
S Lond-Caulk
Director

The notes on pages 3 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. General information

RSLC Developments Ltd is a private company limited by shares and incorporated in England and Wales, registration number 08718447. The registered office is King Street House, 15 Upper King Street, Norwich, Norfolk, NR3 1RB.

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 financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The Directors have considered the Company's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Company and the wider economy. As such under the current circumstances, it is difficult to produce meaningful forecasts for the remainder of the financial year and medium term. Nevertheless, the Directors have considered the current financial strength of the Company, together with the range of measures the Directors can take to mitigate ongoing costs should they need to, and ultimately should it be required, the support now being offered by the UK government for which the Company would be eligible to apply.

Based on this, the Directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, and, based on the economic environment recovering within the timeframe currently being widely anticipated, at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Accounting policies (continued)

2.3 Turnover

Turnover comprises the value of house sales and other invoiced work exclusive of Value Added Tax. An open market house sale is recognised on legal completion or where the build is complete and contracts have been exchanged at the year end and legal notice has been served.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Government grants

Grants are accounted for under the performance model as permitted by FRS 102 recognising income when the performance related conditions are met.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 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.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant & machinery	- 3 - 10 years
Motor vehicles	- 2 - 5 years
Office equipment	- 3 years

2.11 Investment property

Investment property is carried at fair value determined annually 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 Income Statement.

2.12 Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 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.

2.14 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.

2.15 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Accounting policies (continued)

2.16 Financial instruments

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 non-puttable ordinary shares.

2.17 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2018 - 6).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 September 2018	101,735	45,995	2,067	149,797
Additions	29,206	-	-	29,206
Disposals	(17,000)	-	(205)	(17,205)
At 31 August 2019	<u>113,941</u>	<u>45,995</u>	<u>1,862</u>	<u>161,798</u>
Depreciation				
At 1 September 2018	35,962	15,866	1,463	53,291
Charge for the year on owned assets	5,165	-	327	5,492
Charge for the year on financed assets	6,309	9,199	-	15,508
Disposals	(3,325)	-	(205)	(3,530)
At 31 August 2019	<u>44,111</u>	<u>25,065</u>	<u>1,585</u>	<u>70,761</u>
Net book value				
At 31 August 2019	<u><u>69,830</u></u>	<u><u>20,930</u></u>	<u><u>277</u></u>	<u><u>91,037</u></u>
At 31 August 2018	<u><u>65,773</u></u>	<u><u>30,129</u></u>	<u><u>604</u></u>	<u><u>96,506</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	47,391	36,750
Motor vehicles	20,930	30,129
	<u><u>68,321</u></u>	<u><u>66,879</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Investment property

	Freehold investment property £
Valuation	
At 1 September 2018	375,000
At 31 August 2019	375,000

The 2019 valuations were made by directors, on an open market value for existing use basis.

6. Debtors

	2019 £	2018 £
Other debtors	16,033	15,203
	16,033	15,203

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	47,129	49,570
Bank loans	510,249	553,212
Trade creditors	58,053	69,724
Corporation tax	20,769	-
Other taxation and social security	6,828	5,963
Obligations under finance lease and hire purchase contracts	14,445	8,454
Other creditors	740,621	847,535
Accruals and deferred income	6,637	4,228
	1,404,731	1,538,686

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	175,141	497,427
Net obligations under finance leases and hire purchase contracts	6,308	9,453
	<u>181,449</u>	<u>506,880</u>

The following liabilities were secured:

	2019 £	2018 £
Bank loans	675,141	497,427
Net obligations under finance leases and hire purchase contracts	6,308	9,453
	<u>681,449</u>	<u>506,880</u>

Details of security provided:

The Bank loans are secured on the development land and property owned by the Company.

Assets purchased by way of finance lease and hire purchase contracts are secured on the assets to which the agreement relates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	510,249	553,212
	<u>510,249</u>	<u>553,212</u>
Amounts falling due 1-2 years		
Bank loans	10,249	10,212
	<u>10,249</u>	<u>10,212</u>
Amounts falling due 2-5 years		
Bank loans	30,748	342,635
	<u>30,748</u>	<u>342,635</u>
Amounts falling due after more than 5 years		
Bank loans	134,144	144,580
	<u>134,144</u>	<u>144,580</u>
	<u>685,390</u>	<u>1,050,639</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	14,445	8,454
Between 1-5 years	6,308	9,453
	<u>20,753</u>	<u>17,907</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Deferred taxation

	2019 £
At beginning of year	(15,327)
Charged to profit or loss	(8,624)
At end of year	<u>(23,951)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(23,951)	(22,221)
Tax losses carried forward	-	6,894
	<u>(23,951)</u>	<u>(15,327)</u>

12. Provisions

	Snagging provision £
Charged to profit or loss	10,000
At 31 August 2019	<u>10,000</u>

The snagging provision represents a reliable estimate of the amount of the future liabilities arising from property development sales and building services.

13. Reserves

Investment property revaluation reserve

The investment property revaluation reserve represents the unrealised gain on the uplift in fair value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,377 (2018 - £918) . Contributions totalling £358 (2018 - £310) were payable to the fund at the reporting date and are included in creditors.

15. Related party transactions

At the year end, the Directors were owed £60,535 (2018 - £286,114) which is included within other creditors and repayable on demand.

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