

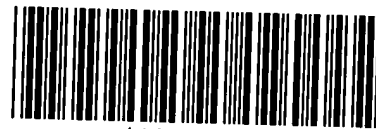
Registration number: 03946834

Reality Finance Solutions Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 August 2018

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COMPANIES HOUSE

Roffe Swayne
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Reality Finance Solutions Limited

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Reality Finance Solutions Limited

Company Information

Directors	J Leslie
	J J Cashmore
Company secretary	J Leslie
Registered office	3 Langham Park Catteshall Lane Godalming Surrey GU7 1NG
Accountants	Roffe Swayne Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ

Reality Finance Solutions Limited

(Registration number: 03946834)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	4,164	7,053
Tangible assets	6	<u>52,914</u>	<u>58,466</u>
		<u>57,078</u>	<u>65,519</u>
Current assets			
Debtors	7	2,108,333	1,917,979
Cash at bank and in hand		<u>212,603</u>	<u>244,974</u>
		2,320,936	2,162,953
Creditors: Amounts falling due within one year	8	<u>(1,302,091)</u>	<u>(1,205,331)</u>
Net current assets		<u>1,018,845</u>	<u>957,622</u>
Total assets less current liabilities		1,075,923	1,023,141
Creditors: Amounts falling due after more than one year	8	<u>(548,308)</u>	<u>(429,087)</u>
Net assets		<u>527,615</u>	<u>594,054</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account		<u>526,615</u>	<u>593,054</u>
Total equity		<u>527,615</u>	<u>594,054</u>

For the financial year ending 31 August 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

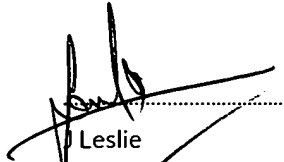
These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

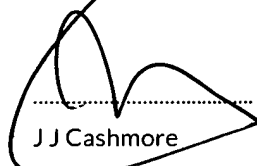
These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 4 to 10 form an integral part of these financial statements.

Reality Finance Solutions Limited
(Registration number: 03946834)
Balance Sheet as at 31 August 2018

Approved and authorised by the Board on 21/5/19 and signed on its behalf by:


.....
J Leslie
Company secretary and director


.....
J J Cashmore
Director

Reality Finance Solutions Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

3 Langham Park
Catteshall Lane
Godalming
Surrey
GU7 1NG

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Revenue recognition

Turnover represents commission invoiced during the year, secondary income and equipment leasing income, exclusive of value added tax. Turnover is recognised upon activation of the lease which occurs when commission is first received.

Equipment leasing income is recognised on a systematic and rational basis and is calculated as a constant periodic return on the lessor's net investment.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Reality Finance Solutions Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Asset class	Depreciation method and rate
Short leasehold	over the lease term
Fixtures and fittings	15% on reducing balance
Office and computer equipment	33% on reducing balance

Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life. The estimated useful life of four years has been deemed a reasonable time before the software would need updating.

Asset class	Amortisation method and rate
Software costs	25% straight line

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives, Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Lessor accounting for finance leases

Amounts due from lessees under finance leases are recognised as a debtor at the amount of the net investment in the lease after making provisions for items such as bad and doubtful rentals receivable.

The total gross earnings under finance leases are recognised on a systematic basis as a constant periodic rate of return on the lessor's net investment.

Reality Finance Solutions Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

Defined contribution pension obligation

The company operates a defined contribution pension scheme and also contributes to individuals' personal pension schemes. Contributions payable to the pension schemes are charged to the profit and loss account in the period to which they relate.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 21 (2017 - 24).

4 Exceptional items

During the year ended 31 August 2018 the company incurred costs totalling £75,018 in relation to re-structuring of business operations at its Leeds office.

During the year ended 31 August 2018 the company also incurred costs totalling £217,829 in respect of compensation to lenders and customers.

5 Intangible assets

	Software costs £	Total £
Cost or valuation		
At 1 September 2017	14,105	14,105
Additions acquired separately	<u>850</u>	<u>850</u>
At 31 August 2018	<u>14,955</u>	<u>14,955</u>
Amortisation		
At 1 September 2017	7,052	7,052
Amortisation charge	<u>3,739</u>	<u>3,739</u>
At 31 August 2018	<u>10,791</u>	<u>10,791</u>
Carrying amount		
At 31 August 2018	<u>4,164</u>	<u>4,164</u>
At 31 August 2017	<u>7,053</u>	<u>7,053</u>

Reality Finance Solutions Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

6 Tangible assets

	Short leasehold £	Fixtures and fittings £	Office and computer equipment	Total £
Cost or valuation				
At 1 September 2017	2,376	88,561	198,195	289,132
Additions	-	3,586	8,256	11,842
At 31 August 2018	2,376	92,147	206,451	300,974
Depreciation				
At 1 September 2017	2,376	59,935	168,355	230,666
Charge for the year	-	4,821	12,573	17,394
At 31 August 2018	2,376	64,756	180,928	248,060
Carrying amount				
At 31 August 2018	-	27,391	25,523	52,914
At 31 August 2017	-	28,626	29,840	58,466

7 Debtors

	2018 £	2017 £
Trade debtors	80,919	111,957
Director current account	500	500
Prepayments and accrued income	177,653	186,972
Finance lease receivables	1,849,261	1,618,550
Total current trade and other debtors	2,108,333	1,917,979

Details of non-current trade and other debtors

£865,679 (2017 -£785,132) of amounts receivable in respect of finance leases is classified as non current.

Assets totalling £1,365,997 (2017 - £985,788) were purchased during the year for the purpose of letting under finance leases. The net investment in finance leases outstanding at 31 August 2018 is £1,849,261 (2017 - £1,618,550).

Reality Finance Solutions Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

8 Creditors

	Note	2018 £	2017 £
Due within one year			
Other loans		736,833	600,979
Trade creditors		41,156	63,169
Corporation tax		157,941	196,765
Director current account		10,000	-
Taxation and social security		222,096	280,862
Accruals and deferred income		69,771	63,288
Other creditors		<u>64,294</u>	<u>268</u>
		<u>1,302,091</u>	<u>1,205,331</u>
	Note	2018 £	2017 £
Due after one year			
Other loans		<u>548,308</u>	<u>429,087</u>

Other loans totalling £1,285,141 (2017 - £1,030,066) are secured by a fixed and floating charge over the assets of the company and by personal guarantees from the directors, J Leslie and J J Cashmore.

9 Share capital

Allotted, called up and fully paid shares

	2018 No.	£	2017 No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Reality Finance Solutions Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

10 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	56,000	36,000
Later than one year and not later than five years	219,333	144,000
Later than five years	-	33,000
	<u>275,333</u>	<u>213,000</u>

11 Related party transactions

Transactions with directors

			At 1 September 2017 £	At 31 August 2018 £
2018				
J J Cashmore			<u>500</u>	<u>500</u>
	At 1 September 2016 £	Advances to directors £	Repayments by director £	At 31 August 2017 £
2017				
J Leslie	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
J J Cashmore	<u>20,000</u>	<u>500</u>	<u>(20,000)</u>	<u>500</u>

Income and receivables from related parties

	Other related parties £
2018	
Sale of goods	<u>1,572</u>
Amounts receivable from related party	<u>7,680</u>
	Other related parties £
2017	
Sale of goods	<u>660</u>
Amounts receivable from related party	<u>7,488</u>

Reality Finance Solutions Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

Expenditure with and payables to related parties

	Key management £	Other related parties £
2018		
Rendering of services	-	28,680
Amounts payable to related party	10,000	-
		Other related parties £
2017		
Rendering of services		29,298