

Company registration number 03946834 (England and Wales)

REALITY FINANCE SOLUTIONS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
PAGES FOR FILING WITH REGISTRAR

REALITY FINANCE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	J M Leslie J J Cashmore
Secretary	J M Leslie
Company number	03946834
Registered office	3 Langham Park Catteshall Lane Godalming Surrey United Kingdom GU7 1NG
Accountants	Azets Ashcombe Court Woolsack Way Godalming Surrey United Kingdom GU7 1LQ

REALITY FINANCE SOLUTIONS LIMITED

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REALITY FINANCE SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	4		22,652		28,921
Current assets					
Debtors	5	3,135,920		2,642,328	
Cash at bank and in hand		168,443		307,214	
		<u>3,304,363</u>		<u>2,949,542</u>	
Creditors: amounts falling due within one year	6	<u>(1,326,375)</u>		<u>(1,120,569)</u>	
Net current assets			<u>1,977,988</u>		<u>1,828,973</u>
Total assets less current liabilities			<u>2,000,640</u>		<u>1,857,894</u>
Creditors: amounts falling due after more than one year	7		<u>(736,853)</u>		<u>(686,361)</u>
Net assets			<u><u>1,263,787</u></u>		<u><u>1,171,533</u></u>
Capital and reserves					
Called up share capital	8	1,000		1,000	
Profit and loss reserves		<u>1,262,787</u>		<u>1,170,533</u>	
Total equity			<u><u>1,263,787</u></u>		<u><u>1,171,533</u></u>

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

For the financial year ended 31 August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

REALITY FINANCE SOLUTIONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The financial statements were approved by the board of directors and authorised for issue on 26 January 2023 and are signed on its behalf by:

J M Leslie
Director

Company Registration No. 03946834

REALITY FINANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

Reality Finance Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Langham Park, Catteshall Lane, Godalming, Surrey, United Kingdom, GU7 1NG.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

We have paid particular attention to the likely effects on the business of the current Covid-19 outbreak and the world economic uncertainty, and the director remains confident that sufficient funding is in place and that the company has adequate resources to enable the company to continue as a going concern for the foreseeable future.

1.3 Turnover

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets are stated in the balance sheet at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software costs	25% straight line
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short leasehold	over the lease term
Fixtures and fittings	15% on reducing balance
Office and computer equipment	33% on reducing balance

REALITY FINANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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.

REALITY FINANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

REALITY FINANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Employees

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

	2022 Number	2021 Number
Total	14	15

3 Intangible fixed assets

Software costs
£

Cost

At 1 September 2021 and 31 August 2022

14,955

Amortisation and impairment

At 1 September 2021 and 31 August 2022

14,955

Carrying amount

At 31 August 2022

-

At 31 August 2021

-

4 Tangible fixed assets

	Short leasehold	Fixtures and fittings	Office and computer equipment	Total
	£	£	£	£
Cost				
At 1 September 2021	2,376	90,350	40,594	133,320
Additions	-	306	-	306
At 31 August 2022	2,376	90,656	40,594	133,626
Depreciation and impairment				
At 1 September 2021	2,376	73,729	28,294	104,399
Depreciation charged in the year	-	2,516	4,059	6,575
At 31 August 2022	2,376	76,245	32,353	110,974
Carrying amount				
At 31 August 2022	-	14,411	8,241	22,652
At 31 August 2021	-	16,621	12,300	28,921

REALITY FINANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	116,354	156,123
Finance leases receivable	2,245,923	1,980,140
Other debtors	1,378	163
Prepayments and accrued income	214,398	115,902
	<u>2,578,053</u>	<u>2,252,328</u>
Deferred tax asset	557,867	390,000
	<u>3,135,920</u>	<u>2,642,328</u>

Assets totalling £1,624,868 (2021: £1,494,783) were purchased during the year for the purpose of letting under finance leases. The net investment in finance leases outstanding at 31 August 2022 is £2,245,923 (2021: £1,980,140).

Details of non-current trade and other debtors

£1,095,836 (2021: £790,701) of amounts receivable in respect of finance leases is classified as non-current.

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	48,000	48,000
Other borrowings	886,617	688,665
Trade creditors	44,413	114,283
Corporation tax	73,716	18,500
Other taxation and social security	190,797	198,417
Other creditors	2,784	2,945
Accruals and deferred income	80,048	49,759
	<u>1,326,375</u>	<u>1,120,569</u>

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	136,000	184,000
Other creditors	600,853	502,361
	<u>736,853</u>	<u>686,361</u>

Bank loans totalling £188,000 (2021: £232,000) are secured by a fixed and floating charge over all the property and undertakings of the company.

Other loans totalling £1,487,470 (2021: £1,191,025) are secured by a fixed and floating charge over the assets of the company and by personal guarantees from the directors, J Leslie and JJ Cashmore.

REALITY FINANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022 £	2021 £
	51,333	107,333
	<u> </u>	<u> </u>

10 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2022 £	Sales 2021 £
Other related parties	1,332	2,280
	<u> </u>	<u> </u>

No amounts (2021 - £nil) were outstanding at the reporting end date.

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.