

MCDONALD PROPERTY RENTALS LIMITED

Report and Financial Statements

Year ended 31 March 2016

REGISTERED WITH
COMPANIES HOUSE
NO. 01105427

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Report of the Board

The Board presents its report together with the McDonald Property Rentals Limited (the "Company") audited financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the Company continued to be that of a letting agent.

The Company was acquired by Redwing Living Limited (formerly known as Regenda Homes Limited), a subsidiary of Regenda Limited (the "Group"), on 30 November 2012. The Company is part of the Regenda Group. The Group's principal activities are the development and management of affordable housing.

Redwing Living Limited (formerly known as Regenda Homes Limited) is a registered provider with the Homes and Communities Agency.

Board Members

The Board members who served during the year and subsequently are as follows –

D Hancock	Chair	(resigned 14 Sept 2015)
P Faulkner		(appointed Chair 14 Sept 2015)
G Bennett		(resigned 11 Sept 2015)
M O'Doherty		
M Birkett		
I Bryan		(appointed 11 Feb 2016)

Statement of Responsibilities of the Board

The directors are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the

Report of the Board

Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

After making enquiries, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Annual general meeting

The annual general meeting will be held on 21 September 2016.

Disclosure of information to auditors

At the date of making this report each of the Company's Board members, as set out on page 1, confirm the following:

- so far as each Board member is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware, and
- each Board member has taken all the steps that they ought to have taken as a Board member in order to make them self aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

External auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approval

The Report of the Board was approved by the Board on 15 September 2016 and signed on its behalf by:



P Faulkner

Chair

Independent Auditor's Report to the Members of McDonald Property Rentals Limited

We have audited the financial statements of McDonald Property Rentals Limited ("the company") for the year ended 31 March 2016 which comprise the statement of total comprehensive income, the statement of financial position, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Responsibilities of the Board set out on page 1, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Service's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of McDonald Property Rentals Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Report of the Board.



Stuart Muskett

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Manchester

21 September 2016

Statement of Total Comprehensive Income For the Year Ended 31 March 2016

	Note	2016 £000	2015 £000
Turnover		454	467
Administrative expenses	2	(410)	(400)
Operating profit	3	<u>44</u>	<u>67</u>
Interest receivable and similar income	4	4	1
Profit on ordinary activities		<u>48</u>	<u>68</u>
Gift Aid		(48)	0
Profit on ordinary activities before taxation		<u>0</u>	<u>68</u>
Tax on profit on ordinary activities	5	0	(14)
Profit for the financial year	12	<u><u>0</u></u>	<u><u>54</u></u>
Retained profits at 1 April 2015		175	121
Surplus for the Year		0	54
Retained profits at 31 March 2016		<u><u>175</u></u>	<u><u>175</u></u>

The notes on pages seven to twelve form part of these financial statements.

All operations are continuing.

These financial statements were approved by the Board and authorised for issue on 15 September 2016, and signed on its behalf by:



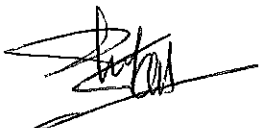
P Faulkner
Chair

**Statement of Financial Position
As at 31 March 2016**

		2016	2015
	Note	£000	£000
Fixed assets			
Tangible assets	7	<u>24</u>	<u>30</u>
Current assets			
Debtors	6	41	26
Cash at bank and in hand		<u>301</u>	<u>261</u>
		342	287
Creditors: Amounts falling due within one year	8	<u>(188)</u>	<u>(138)</u>
Net current assets		<u>154</u>	<u>149</u>
Total assets less current liabilities		178	179
Creditors: Amounts falling due after one year			
Provisions for liabilities	9	(3)	(4)
		<u>175</u>	<u>175</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	175	175
		<u>175</u>	<u>175</u>

The notes on pages 7 to 12 form part of these financial statements.

These financial statements were approved by the Board and authorised for issue on 15 September 2016, and signed on its behalf by:



P Faulkner
Chair

Company Registration Number: 01105427

Notes to the Financial Statements

Year ended 31 March 2016

1. Accounting policies

Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 13 for an explanation of the transition.

The financial statements are presented in Sterling (£).

The individual accounts of McDonald Property Rentals Limited have also adopted the following disclosure exemptions :

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:

- o categories of financial instruments

- o items of income, expenses, gains or losses relating to financial instruments, and exposure to and management of financial risks.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include :

Bad debt provision - debts are regularly reviewed to determine if the amounts are considered to be recoverable.

Impairment of assets - assets are subject to an impairment review to ascertain if the carrying cost of the asset falls below the amounts recorded in the financial statements.

Going Concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Turnover comprises management fee income, administration fee income, lettings fee income, tenancy continuations, commission and other Income. Management fee revenue is recognised on receipt of rental payments in to clients' accounts. All other income is recognised on delivery of the related service.

Notes to the Financial Statements

Year ended 31 March 2016

Tangible Assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are :

Leasehold Offices	- Length of lease straight-line
Computer Costs	-15% to 25% straight-line
Fixtures & Fittings	-10% straight-line

All fixed assets are initially recorded at cost.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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.

Creditors

Short term trade 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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Notes to the Financial Statements

Year ended 31 March 2016

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

Year ended 31 March 2016

2. Administrative Expenses

	2016	2015
	£000	£000
Administrative expenses	<u>410</u>	<u>400</u>

3. Operating profit

	2016	2015
	£000	£000
Operating profit is stated after charging:		
Depreciation of tangible assets	6	6
Auditors remuneration	<u>2</u>	<u>2</u>

4. Interest receivable and similar income

	2016	2015
	£000	£000
Bank interest and other income	<u>4</u>	<u>1</u>

5. Taxation

	2016	2015
	£000	£000
Current Tax	£000	£000
UK corporation tax on surplus for year @ 20% (2015: 21%)	1	14
	1	14
Deferred taxation		
Net origination of timing differences	<u>(1)</u>	<u>-</u>
	<u>(1)</u>	<u>-</u>
Tax on surplus on ordinary activities	<u>-</u>	<u>14</u>
Current tax reconciliation		
Surplus for the period before taxation	-	68
Theoretical tax at UK corporation tax rate 20% (2015: 21%)	-	14
Fixed asset differences	-	1
Capital Allowances in excess of depreciation	-	1
Other	-	(2)
Corporation tax charge	<u>-</u>	<u>14</u>

Notes to the Financial Statements

Year ended 31 March 2016

6. Debtors

	2016	2015
	£000	£000
Prepayments	35	24
Sundry Debtors	2	2
Other debtors	4	0
	<u>41</u>	<u>26</u>

7. Tangible fixed assets

	Furniture, fixtures & fittings	Computer Costs	Leasehold Offices	Total
	£000	£000	£000	£000
Cost				
At 1 April 2015	25	10	13	48
Additions	-	-	-	-
At 31 March 2016	<u>25</u>	<u>10</u>	<u>13</u>	<u>48</u>
Depreciation				
At 1 April 2015	12	4	2	18
Charged in year	3	2	1	6
At 31 March 2016	<u>15</u>	<u>6</u>	<u>3</u>	<u>24</u>
Net book value				
At 31 March 2016	<u>10</u>	<u>4</u>	<u>10</u>	<u>24</u>
At 1 April 2015	<u>13</u>	<u>6</u>	<u>11</u>	<u>30</u>

8. Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Taxation and social security	19	16
Corporation tax	1	15
Amounts due to Group companies	53	10
Other creditors	115	97
	<u>188</u>	<u>138</u>

9. Provisions for liabilities

	2016	2015
	£000	£000
Deferred tax liability - accelerated capital allowances	<u>3</u>	<u>4</u>

Notes to the Financial Statements

Year ended 31 March 2016

10. Related party transactions

The Company has taken advantage of the exemption available under FRS102 not to disclose transactions between Group companies.

There are no other related party transactions to disclose.

Key management personnel are those persons having responsibility and authority for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (executive or otherwise) of that entity.

Total salary costs of key management personnel in the period were :

	2016	2015
	£000	£000
Salary	90	72
Benefits in kind	1	2
Pensions	1	3
	<u>93</u>	<u>78</u>

11. Share Capital

	2016	2015
Allotted, called up and fully paid 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

12. Reserves

This reserve relates to retained profits within the company.

13. Adoption of FRS 102

The company has adopted FRS102 for the year ended 2016. There was no impact on the company's reported financial position and financial performance.

14. Ultimate parent

The Company is a wholly owned subsidiary of Redwing Living Limited. The Company's ultimate parent is Regenda Limited. Regenda Limited's consolidated financial statements can be obtained from the Group's registered office:

The Foundry
42 Henry Street
Liverpool
L1 5AY