

MCDONALD PROPERTY RENTALS LIMITED

Report and Financial Statements

Year ended 31 March 2015

REGISTERED WITH
COMPANIES HOUSE
NO. 01105427

Contents

| | |
|---|----------|
| Report of the Board | 1 |
| Independent Auditor's Report to the Members of McDonald Property Rentals Limited | 3 |
| Profit and Loss Account | 5 |
| Balance Sheet | 6 |
| Notes to the Financial Statements | 7 |

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 2015.

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 |
| C Lynagh | (to 31 August 2014) |
| T Heyes | (to 31 March 2015) |
| G Bennett | |
| P Faulkner | |
| M O'Doherty | (from 25 September 2014) |
| M Birkett | (from 5 November 2014) |

Statement of Responsibilities of the Board

The Board is responsible for preparing 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these 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;
- 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 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Board

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 16 September 2015.

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

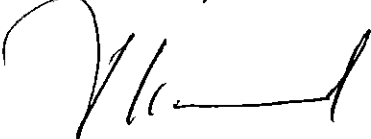
Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

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 16 September 2015 and signed on its behalf by:



D Hancock

Chair

Regenda House
Enterprise Business Park
Northgate Close
Horwich, Bolton
BL6 6PQ

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

We have audited the financial statements of McDonald Property Rentals (the "Company") for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 prepare the financial statements and the Report of the Board in accordance with the small companies regime.



Stuart Muskett

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Manchester

16 September 2015

**Profit and Loss Account
For the Year Ended 31 March 2015**

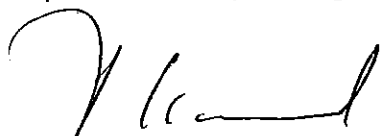
| | Note | 2015 £000 | 2014 £000 |
|--|------|--------------|--------------|
| Turnover | | 467 | 511 |
| Administrative expenses | 2 | (400) | (490) |
| Operating profit | 3 | 67 | 21 |
| Profit on sale of fixed assets | 4 | - | 8 |
| Interest receivable and similar income | 5 | 1 | - |
| Profit on ordinary activities before taxation | | 68 | 29 |
| Tax on profit on ordinary activities | 6 | (14) | (7) |
| Profit for the financial year | 13 | 54 | 22 |

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

All operations are continuing.

The company has no recognised gains or losses other than in the results set out above.

These financial statements were approved by the Board and authorised for issue on 16 September 2015, and signed on its behalf by:



D Hancock
Chair

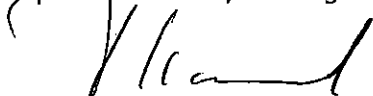
Balance Sheet
As at 31 March 2015

| | 2015 | 2014 |
|---|----------------|------------------|
| Note | £000 | Restated £000 |
| Fixed assets | | |
| Tangible assets | 7 <u>30</u> | <u>34</u> |
| Current assets | | |
| Debtors | 8 26 | 31 |
| Cash at bank and in hand | <u>261</u> | <u>173</u> |
| | 287 | 204 |
| Creditors: Amounts falling due within one year | 9 <u>(138)</u> | <u>(112)</u> |
| Net current assets | <u>149</u> | <u>92</u> |
| Total assets less current liabilities | 179 | 126 |
| Creditors: Amounts falling due after one year | | |
| Provisions for liabilities | 10 <u>(4)</u> | <u>(5)</u> |
| | <u>175</u> | <u>121</u> |
| Capital and reserves | | |
| Called up share capital | 12 - | - |
| Profit and loss account | 13 175 | 121 |
| | <u>175</u> | <u>121</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on pages 7 to 10 form part of these financial statements.

These financial statements were approved by the Board and authorised for issue on 16 September 2015, and signed on its behalf by:



D Hancock
 Chair

Company Registration Number: 01105427

Notes to the Financial Statements

Year ended 31 March 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The principal accounting policies of the company remain unchanged from the previous year and are set out below.

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.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided evenly on the cost of other tangible fixed assets over their expected useful lives.

| | |
|---------------------|---------------------------------|
| Leasehold Offices | - Length of lease straight-line |
| Computer Costs | -15% to 25% straight-line |
| Fixtures & Fittings | -10% straight-line |
| Motor Vehicles | -20% straight-line |

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the Financial Statements

Year ended 31 March 2015

1. Accounting policies (continued)

Finance Leases

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Group's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the income and expenditure account over the period of the lease in proportion to the balance of capital repayments outstanding.

2. Administrative Expenses

| | 2015 | 2014 |
|-------------------------|-------------------|------------|
| | £000 | £000 |
| Administrative expenses | <u>400</u> | <u>490</u> |

3. Operating profit

| | 2015 | 2014 |
|--|-----------------|-----------|
| | £000 | £000 |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 6 | 32 |
| Auditors remuneration | 2 | 2 |
| | <u>8</u> | <u>34</u> |

4. Profit on Sale of Fixed Assets

| | 2015 | 2014 |
|---------------------------|-----------------|----------|
| | £000 | £000 |
| Sales Proceeds - Vehicles | - | 8 |
| Book Value - Vehicles | - | - |
| Profit | <u>-</u> | <u>8</u> |

5. Interest receivable and similar income

| | 2015 | 2014 |
|--------------------------------|-----------------|----------|
| | £000 | £000 |
| Bank interest and other income | <u>1</u> | <u>-</u> |

6. Taxation

| | 2015 | 2014 |
|----------------------------------|------------------|----------|
| | £000 | £000 |
| UK current year tax | | |
| U.K. Corporation tax | <u>14</u> | <u>7</u> |
| Total current tax | 14 | 7 |
| Deferred tax | | |
| Deferred tax credit current year | <u>-</u> | <u>-</u> |
| | <u>14</u> | <u>7</u> |

Notes to the Financial Statements

Year ended 31 March 2015

7. Tangible fixed assets

| | Furniture, fixtures & fittings | Computer Costs | Leasehold Offices | Total |
|-----------------------|--------------------------------------|-------------------|----------------------|-----------|
| Cost | £000 | £000 | £000 | £000 |
| At 1 April 2014 | 24 | 10 | 12 | 46 |
| Additions | 1 | - | 1 | 2 |
| At 31 March 2015 | <u>25</u> | <u>10</u> | <u>13</u> | <u>48</u> |
| Depreciation | | | | |
| At 1 April 2014 | 9 | 2 | 1 | 12 |
| Charged in year | 3 | 2 | 1 | 6 |
| At 31 March 2015 | <u>12</u> | <u>4</u> | <u>2</u> | <u>18</u> |
| Net book value | | | | |
| At 31 March 2015 | <u>13</u> | <u>6</u> | <u>11</u> | <u>30</u> |
| At 1 April 2014 | <u>15</u> | <u>8</u> | <u>11</u> | <u>34</u> |

8. Debtors

| | 2015 | 2014 |
|----------------|-------------|-----------|
| | £000 | £000 |
| Prepayments | 24 | 12 |
| Sundry Debtors | 2 | 17 |
| Other debtors | - | 2 |
| | <u>26</u> | <u>31</u> |

9. Creditors: amounts falling due within one year

| | 2015 | 2014 |
|--------------------------------|-------------|------------------|
| | £000 | Restated £000 |
| Taxation and social security | 16 | 17 |
| Corporation tax | 15 | 9 |
| Amounts due to Group companies | 10 | - |
| Other creditors | 97 | 86 |
| | <u>138</u> | <u>112</u> |

The balance for other creditors has been restated to include funds due to clients being held in the client bank account as at 31st March 2014. Cash at Bank and in hand has also been restated for 2014.

10. Provisions for liabilities

| | 2015 | 2014 |
|------------------------|-------------|----------|
| | £000 | £000 |
| Deferred tax liability | <u>4</u> | <u>5</u> |

Notes to the Financial Statements

Year ended 31 March 2015

11. Related party transactions

The Company has taken advantage of the exemption available under FRS8 not to disclose transactions between Group companies. There are no other related party transactions to disclose.

12. Share Capital

| | 2015 | 2014 |
|--|------------|------------|
| Allotted, called up and fully paid 100 Ordinary Shares of £1 each | <u>100</u> | <u>100</u> |

13. Reserves

| | 2015 | 2014 |
|-------------------------------|------------|------------|
| | £000 | £000 |
| At 1 April | 121 | 99 |
| Profit for the financial year | 54 | 22 |
| At 31 March | <u>175</u> | <u>121</u> |

14. Ultimate parent

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

Regenda House
Enterprise Business Park
Northgate Close
Horwich,
Bolton
BL6 6PQ