

Registered number: 07327683

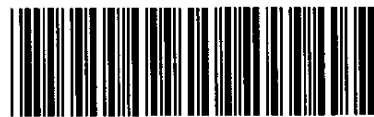
R A (NO 10) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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COMPANIES HOUSE

R A (NO 10) LIMITED

COMPANY INFORMATION

Directors

J C G Eddy
P J Knight
A J Ramsay

Registered number

07327683

Registered office

Matrix House
Basing View
Basingstoke
Hampshire
RG21 4DZ

R A (NO 10) LIMITED

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R A (NO 10) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Principal activity

The principal activity of the Company is that of a lessor, asset financier and manager.

Results

The profit for the year, after taxation, amounted to £84,557 (2018 - £199,414).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

J C G Eddy

P J Knight

A J Ramsay

Post balance sheet events

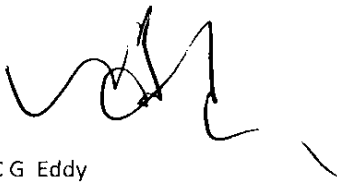
There have been no significant events affecting the Company since the year end.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

As a result of the above exemption, a strategic report has not been prepared in accordance with section 414B (a) of the Companies Act 2006.

This report was approved by the board on 6 January 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'J C G Eddy', with a long horizontal line extending to the right.

J C G Eddy
Director

R A (NO 10) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Revenue	4	2,559,396	2,241,032
Cost of sales		(1,966,497)	(1,605,885)
Gross profit		592,899	635,147
Administrative expenses		(280,551)	(215,459)
Operating profit	5	312,348	419,688
Finance costs	7	(207,954)	(231,503)
Profit before tax		104,394	188,185
Tax on profit	8	(19,837)	11,229
Profit and total comprehensive income for the year		84,557	199,414

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 5 to 13 form part of these financial statements.

R A (NO 10) LIMITED
REGISTERED NUMBER: 07327683

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due after more than one year	9	2,359,564	3,465,407
Debtors: amounts falling due within one year	9	9,431,151	9,681,653
		<u>11,790,715</u>	<u>13,147,060</u>
Creditors: amounts falling due within one year	11	(8,668,831)	(9,063,769)
Net current assets		3,121,884	4,083,291
Creditors: amounts falling due after more than one year	12	(1,716,616)	(2,762,580)
Net assets		1,405,268	1,320,711
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account		1,405,267	1,320,710
		<u>1,405,268</u>	<u>1,320,711</u>

The 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 Company was entitled to exemption from audit under section 479A 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 Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 2 to 13 were approved and authorised for issue by the board and were signed on its behalf on 6 January 2020.

J C G Eddy
Director



The notes on pages 5 to 13 form part of these financial statements.

R A (NO 10) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	1	1,121,296	1,121,297
Comprehensive income for the year			
Profit for the year	-	199,414	199,414
At 1 October 2018	1	1,320,710	1,320,711
Comprehensive income for the year			
Profit for the year	-	84,557	84,557
At 30 September 2019	1	1,405,267	1,405,268

The notes on pages 5 to 13 form part of these financial statements.

R A (NO 10) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

The Company is incorporated and domiciled in United Kingdom. The registered office is located at Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom.

The principal activity of the Company is that of a lessor, asset financier and manager. Information on the Company's ultimate parent is presented in Note 16.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 16, 38A, 38B, 38C, 38D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.3 Revenue

Adoption of IFRS 15

From 1 October 2018, the Company is required to adopt IFRS 15 Revenue from Contracts from Customers. The new standard requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers.

The Company's revenue comprises lease income, provision of related fee based services and end of lease income.

- Lease income is outside of the scope of IFRS 15 and continued to be accounted for in accordance with IAS 17 Leases.
- Lease arrangement fees are recognised in full on inception of the related lease. These relate to the upfront administrative cost of setting up each lease and therefore the inception of the lease is the point at which the performance obligation has been satisfied. The previous accounting policy has been considered to be consistent with IFRS 15.
- Other income consists of sales proceeds from the sale of underlying assets to a third party and lease income received after the completion of the minimum lease term.
 - Sales proceeds are recognised once control of the goods has been transferred, and thus the performance obligation has been satisfied. The previous accounting policy has been considered to be consistent with IFRS 15.
 - Lease income received after the minimum lease term are outside of the scope of IFRS 15 and therefore continued to be accounted for in accordance with IAS 17 Leases.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding VAT, duties and Insurance premium tax where applicable.

Lease income

Revenue recognised in the year includes both the capital repayment and interest calculated on an actuarial basis under the term of the finance lease arrangement with the customer. Amounts are recognised on a monthly basis

Fee income

Lease arrangement fees are recognised in full on inception of the related lease. All other lease and loan related fee income is recognised in full in the month in which it arises.

2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of 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 income.

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 that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2.6 Debtors

Finance lease receivables

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

2.7 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Borrowings

Borrowings are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The Company's borrowings are in the form of a block discounting facility.

2.9 Called up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown as equity as a deduction, net of tax, from the proceeds.

R A (NO 10) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no significant estimates and judgements made in the financial statements during the current year.

4. Revenue

An analysis of revenue by class of business is as follows:

	2019 £	2018 £
Lease income	2,550,403	2,235,071
Fee income	8,993	5,961
	<u>2,559,396</u>	<u>2,241,032</u>

All revenue arose within the United Kingdom from a single business segment.

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Management recharges	<u>280,551</u>	<u>215,459</u>

Management recharge is an allocation of the Company's portion of overhead costs.

6. Staff costs and directors' remuneration

The Company had no employees other than the directors in the year ended 30 September 2019 and they did not receive any remuneration from the Company (2018: £nil) in respect of their services to it. The directors' remuneration was borne by the immediate parent Asset Advantage Limited, however all employees are employed by the ultimate parent Asset Advantage Group Limited.

7. Finance costs

	2019 £	2018 £
Amounts due under lease financing arrangements	207,954	231,503
	<u>207,954</u>	<u>231,503</u>

R A (NO 10) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

8. Tax on profit

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	19,551	35,409
Adjustments in respect of previous periods	2	(46,984)
Total current tax	19,553	(11,575)
Deferred tax		
Origination and reversal of timing differences	284	346
Taxation on profit	19,837	(11,229)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2018 £	2017 £
Profit before taxation	104,394	188,185
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	19,835	35,755
Effects of:		
Adjustments to tax charge in respect of prior periods	2	(46,984)
Total tax charge for the year	19,837	(11,229)

R A (NO 10) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

8. Tax on profit (continued)

Factors that may affect future tax charges

The Finance Act 2016, included legislation to further reduce the main rate of corporation tax in the UK to 17% from 1 April 2020 and was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of the deferred tax at the balance sheet date.

9. Debtors

	2019 £	2018 £
Due after more than one year		
Finance lease receivables (see Note 10)	2,359,564	3,465,407
	2,359,564	3,465,407
	2019 £	2018 £
Due within one year		
Amounts owed by group undertakings	7,839,771	7,742,145
Finance lease receivables (see Note 10)	1,590,878	1,938,722
Deferred taxation (see Note 14)	502	786
	9,431,151	9,681,653

R A (NO 10) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

10. Finance lease receivables

The Company enters into finance lease arrangements for a variety of equipment used by customers in their business. All leases are denominated in pound Sterling. Leases have an average term of between 3 - 5 years with no leases being granted for more than 5 years.

	Minimum lease payments		Present value of minimum lease payments	
	2019 £	2018 £	2019 £	2018 £
Less than 1 year	2,061,911	2,544,039	1,590,878	1,938,722
More than 1 year but less than 5 years	2,521,593	4,022,693	2,359,564	3,465,407
	<u>4,583,504</u>	<u>6,566,732</u>	<u>3,950,442</u>	<u>5,404,129</u>
Less: Unearned finance income	(633,062)	(1,162,603)	-	-
Present value of minimum lease payments receivable	<u>3,950,442</u>	<u>5,404,129</u>	<u>3,950,442</u>	<u>5,404,129</u>

Asset Advantage Limited, the immediate parent, has provided a guarantee against the finance lease receivables. An allowance for uncollectible lease payments has been raised in Asset Advantage Limited's financial statements.

The finance lease receivables at the end of the year have not been impaired.

There are no unguaranteed residual values of assets leased under finance leases.

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts due under lease financing arrangements	1,918,354	2,332,845
Amounts owed to group undertakings	6,730,926	6,695,517
Corporation tax	19,551	35,407
	<u>8,668,831</u>	<u>9,063,769</u>

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

R A (NO 10) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

	2019 £	2018 £
Amounts due under lease financing arrangements	1,716,616	2,762,580
	<u>1,716,616</u>	<u>2,762,580</u>

Secured loans

In respect of amounts due under lease financing arrangements, security has been provided to the financial institutions under a block discounting facility in the form of assignment of lease receivables under the underlying finance leases. Interest rates are fixed between 4.5% and 5.28%, the weighted average at 30 September 2019 being 4.77% (2018: 4.79%).

13. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Amounts due under lease financing arrangements	1,918,354	2,332,845
Amounts falling due 1-2 years		
Amounts due under lease financing arrangements	797,434	1,665,376
Amounts falling due 2-5 years		
Amounts due under lease financing arrangements	919,182	1,097,204
	<u>3,634,970</u>	<u>5,095,425</u>

14. Deferred taxation

	2019 £	2018 £
At beginning of year	786	1,132
Charged to profit or loss	(284)	(346)
At end of year	<u>502</u>	<u>786</u>

R A (NO 10) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

14. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	502	786
	<u>502</u>	<u>786</u>

15. Share capital

	2019 £	2018 £
Authorised		
1,000 (2018 - 1,000) ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 (2018 - 1) ordinary share of £1.00	<u>1</u>	<u>1</u>

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the Company is Asset Advantage Limited. The ultimate parent undertaking is Asset Advantage Group Limited. The controlling party of Asset Advantage Group Limited is J C G Eddy who is also a director of Asset Advantage Group Limited.

Asset Advantage Group Limited, is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2019. The consolidated financial statements of Asset Advantage Group Limited, are available from Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom.

The smallest such group is that of which Asset Advantage Limited is the parent company, whose consolidated financial statements may be obtained from Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom.