

Registered number: 10375872

RA (NO.16) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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COMPANIES HOUSE

RA (NO.16) LIMITED

COMPANY INFORMATION

Directors

J C G Eddy
P J Knight
A J Ramsay

Registered number

10375872

Registered office

Matrix House
Basing View
Basingstoke
Hampshire
RG21 4DZ
United Kingdom

RA (NO.16) LIMITED

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RA (NO.16) 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 activities

The Company whose principal activity was that of a lessor, asset financier and manager ceased trading in June 2019 and is now dormant.

Results and dividends

The profit for the year, after taxation, amounted to £161,735 (2018 - £157,655).

Directors

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

J C G Eddy
P J Knight
A J Ramsay

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 and signed on its behalf.



J C G Eddy
Director

Date: 6 January 2020

RA (NO.16) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Revenue	4	1,269,561	2,747,008
Cost of sales		(954,498)	(1,969,474)
Gross profit		315,063	777,534
Administrative expenses		(15,267)	(357,669)
Operating profit	5	299,796	419,865
Interest payable and expenses	7	(99,134)	(225,229)
Profit before tax		200,662	194,636
Tax on profit	8	(38,927)	(36,981)
Profit for the financial year		161,735	157,655

The notes on pages 5 to 12 form part of these financial statements.

RA (NO.16) LIMITED
REGISTERED NUMBER: 10375872

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Other financial assets	9	-	2,685,990
		<hr/>	<hr/>
		-	2,685,990
Current assets			
Other financial assets	9	621,604	1,917,946
Cash at bank and in hand	11	-	87,704
		<hr/>	<hr/>
		621,604	2,005,650
Creditors: amounts falling due within one year	12	(119,233)	(4,351,004)
		<hr/>	<hr/>
Net current assets/(liabilities)		502,371	(2,345,354)
		<hr/>	<hr/>
Net assets		502,371	340,636
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account		502,370	340,635
		<hr/>	<hr/>
		502,371	340,636
		<hr/>	<hr/>

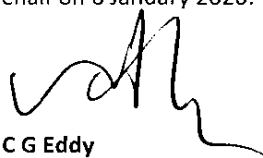
The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 477 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 page 2 to 12 were approved and authorised for issue by the board and were signed on its behalf on 6 January 2020.


J C G Eddy
 A J Ramsay
 Director

RA (NO.16) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
At 30 September 2019	1	182,980	182,981
Comprehensive income for the period			
Profit for the financial period	-	157,655	157,655
At 30 September 2018	1	340,635	340,636
Comprehensive income for the year			
Profit for the financial year	-	161,735	161,735
At 30 September 2019	1	502,370	502,371

The notes on pages 5 to 12 form part of these financial statements.

RA (NO.16) LIMITED

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

1. General information

The Company is a private limited company and is incorporated and domiciled in the United Kingdom. The address of its registered office is Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom.

The principal activities of the Company are that of a lessor, asset financier and manager. Information on the Company's ultimate parent is presented in Note 14.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of RA (NO.16) Limited 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' and the Companies Act 2006.

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The company has taken advantage of the following IFRS 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.

**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 was required to adopt IFRS 15 Revenue from Contracts with 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 and loan 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.
- Loan income is outside of the scope of IFRS 15 and continued to be accounted for in accordance with IFRS 9 as outlined in note 2.5 below.
- 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

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.

Loan Income

Loan revenue recognised in the year is the net interest received on customer repayments.

Fee Income

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

2.4 Finance Costs

Finance costs are charges 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 Financial instrument

Adoption of IFRS 9

From 1 October 2018, the entity is required to adopt IFRS 9 Financial Instruments, replacing IAS 39. IFRS 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities, impairment methodology, and general hedge accounting.

i. Financial assets

Financial assets held by the Company relate to leases and loans provided to customers as well as cash, other receivables. Under IFRS 9 loans continue to be measured at amortised cost as they were previously under IAS 39, therefore there is no impact on adoption. Leases (other than for derecognition and impairment), are not within scope of IFRS 9 and continue to be accounted for under IAS 17 Leases. 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.

ii. Financial liabilities

IFRS 9 only impacts financial liabilities designated as fair value through profit or loss and those held at amortised cost for which modifications have been made. However no such modifications have occurred. All of the Company's financial liabilities are measured at amortised cost using the effective interest method. There have been no modifications made, therefore financial liabilities have continued to be measured at the same bases as was previously adopted under IAS 39.

2.6 Other financial assets

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.

Interest earned is credited to the statement of comprehensive income, calculated on an actuarial basis. This interest is included in revenue as it is part of operations.

2.7 Borrowings

Borrowings are measured at amortised cost initially at fair value and subsequently 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 drawdown. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawdown, 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 revolving credit facility. Interest and capital are both payable on a monthly basis and therefore the Company recognised the facility as a current liability.

RA (NO.16) LIMITED

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

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 proceeds.

2.10 Taxation

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 balance sheet date in the countries where the Company operates and generates income.

3. Critical accounting estimates and judgments

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	1,166,161	2,494,655
Loan income	98,609	237,397
Fee income	4,791	14,956
	<u>1,269,561</u>	<u>2,747,008</u>

All revenue arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Management recharge	-	357,669

RA (NO.16) LIMITED

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

6. Employees

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

7. Finance costs

	2019 £	2018 £
On bank loans	99,134	225,229
	<u>99,134</u>	<u>225,229</u>

8. Income tax expense

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	38,126	36,981
Adjustments in respect of previous periods	801	-
Total current tax	<u>38,927</u>	<u>36,981</u>

Factors affecting tax charge for the year

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

	2019 £	2018 £
Profit before taxation	<u>200,662</u>	<u>194,636</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	38,126	36,981
Effects of:		
Adjustments to tax charge in respect of prior periods	801	-
Total tax charge for the year	<u>38,927</u>	<u>36,981</u>

RA (NO.16) LIMITED

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

8. Income tax expense (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. Since the Company has no deferred tax balances these further changes have no impact on the financial statements.

9. Other financial assets

	2019 £	2018 £
Due after more than one year		
Loan receivables	-	851,043
Finance lease receivables (see Note 10)	-	1,834,947
	<u>-</u>	<u>2,685,990</u>

	2019 £	2018 £
Due within one year		
Amounts owed by group undertakings	621,604	-
Loan receivables	-	537,699
Finance lease receivables (see Note 10)	-	1,380,247
	<u>621,604</u>	<u>1,917,946</u>

RA (NO.16) LIMITED

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

10. Finance lease receivables

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

Amounts receivable under finance leases

	<i>Minimum lease payments</i>		<i>Present value of minimum lease payments</i>	
	2019	2018	2019	2018
	£	£	£	£
Less than 1 year	-	1,733,214	-	1,380,247
More than 1 year but less than 5 years	-	2,092,928	-	1,834,947
	-	3,826,142	-	3,215,194
Less: Unearned finance income	-	(610,948)	-	-
Present value of minimum lease payments receivable	-	3,215,194	-	3,215,194

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

In June 2019, the lease and loan agreements were transferred to Asset Advantage at Net Book Value and the Company has since ceased to trade.

11. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	-	87,704
	-	87,704

RA (NO.16) LIMITED

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

12. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	-	3,715,000
Amounts owed to group undertakings	81,107	594,911
Corporation tax	38,126	36,181
Accruals and deferred income	-	4,912
	<u>119,233</u>	<u>4,351,004</u>

The borrowing was in the form of a revolving credit facility. The facility was repaid in June 2019.

Amounts owed to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

13. Called up share capital

	30 September 2018 £	30 September 2017 £
Authorised, allotted, called up and fully paid		
1 (2018 - 1) Ordinary shares share of £1.00	<u>1</u>	<u>1</u>

14. 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 Asset Advantage Limited whose consolidated financial statements may be obtained from Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom.