Registered number: 08885706

RAINIER DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

TUESDAY

A87DDM5V
A14 11/06/2019 #375
COMPANIES HOUSE

mha
MACINTYRE HUDSON

RAINIER DEVELOPMENTS LIMITED

CONTENTS

	Page
Balance Sheet	1
Notes to the Financial Statements	2 - 8

RAINIER DEVELOPMENTS LIMITED
REGISTERED NUMBER: 08885706

BALANCE SHEET
AS AT 31 MARCH 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	4		**147,439**		208,316
Investments	5		**100**		100
			147,539		208,416
Current assets					
Stocks	6	**4,780,342**		2,291,439	
Debtors: amounts falling due within one year	7	**1,290,359**		7,481,440	
Cash at bank and in hand		**6,053,657**		420,139	
		12,124,358		10,193,018	
Creditors: amounts falling due within one year	8	**(7,771,657)**		(8,712,343)	
Net current assets			**4,352,701**		1,480,675
Net assets			**4,500,240**		1,689,091
Capital and reserves					
Called up share capital	9		**6,300**		6,300
Profit and loss account			**4,493,940**		1,682,791
			4,500,240		1,689,091

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 May 2019.

Mr A C Lediard
Director

The notes on pages 2 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Rainier Developments Limited (the Company) is a private company limited by shares incorporated and domiciled in England. The address of the registered office, which is also the principal place of business, is Rainier House, 62 High Street, Henley in Arden, Warwickshire, B95 5AN.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The Company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Revenue

The Company has four principal income streams and the accounting treatment of these is as follows:-

a) sales of land and property: are recognised on legal completion and included within turnover,
b) rental income: is recognised on a receivable basis and included within turnover,
c) land promotion agreements: turnover is recognised at the point at which the company becomes entitled to a share of the proceeds under the terms of the land promotion agreement,
d) interest receivable and similar funding charges: where there is reasonable certainty that the income will be received, it is recognised using the effective interest rate method and is shown after the operating result.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.5 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays a fixed contribution rate of salary into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- straight line over the term of the lease
Fixtures and fittings	- straight line over the term of the lease
Office equipment	- straight line over five years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.9 Stocks

Land and property held for development and re-sale is stated at the lower of cost and net realisable value. Cost includes the acquistion and related costs and any subsequent costs of development. Net realisable value is based on estimated selling price, less further costs of realisation.

Work in progress includes the costs incurred in land promotion agreements. This is when the company is contracted to progress third party held land through the planning process for ultimate disposal. The contracts are long term and the eventual outcomes are uncertain. The company performs regular reviews of each site to ensure that the anticipated net realisable value exceeds contracted costs or written down to reflect the change in circumstances.

2.10 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.

2.11 Creditors

Short term 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.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Average number	**12**	9

4. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2018	**323,121**	**50,945**	**52,308**	**426,374**
Additions	**-**	**-**	**461**	**461**
At 31 March 2019	**323,121**	**50,945**	**52,769**	**426,835**
Depreciation				
At 1 April 2018	**176,947**	**27,899**	**13,212**	**218,058**
Charge for the year on owned assets	**46,160**	**7,278**	**7,900**	**61,338**
At 31 March 2019	**223,107**	**35,177**	**21,112**	**279,396**
Net book value				
At 31 March 2019	**100,014**	**15,768**	**31,657**	**147,439**
At 31 March 2018	146,174	23,046	39,096	208,316

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2018	**100**
Additions	**200**
Disposals	**(200)**
At 31 March 2019	**100**
Net book value	
At 31 March 2019	**100**
At 31 March 2018	100

The company owns 100% of the ordinary share capital of Rainier Developments (Binley) Limited and Rainier Developments (Gulson Road) Limited. Rainier Developments (Gulson Road) Limited was incorporated on 4 September 2018, has not traded and is in the process of being struck off.

6. Stocks

	2019 £	2018 £
Property developments projects	**2,084,468**	1,526,133
Work in progress - land promotion agreements	**2,695,874**	765,306
	4,780,342	2,291,439

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. Debtors

	2019 £	2018 £
Trade debtors	-	2,100,000
Amounts owed by group undertakings	-	2,891,812
Amounts owed by related undertakings	**437,992**	565,193
Other debtors	**800,790**	1,902,396
Prepayments and accrued income	**51,577**	22,039
	1,290,359	7,481,440

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	**185,923**	236,729
Amounts owed to group undertakings	**2,551,308**	-
Corporation tax	**192,130**	819,549
Other taxation and social security	**801,929**	23,333
Other creditors	**3,835,614**	5,373,232
Accruals and deferred income	**204,753**	2,259,500
	7,771,657	8,712,343

Creditors include deferred consideration payable of £Nil (2018: £150,000).

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
6,300 (2018 - 6,300) Ordinary shares of £1.00 each	**6,300**	6,300

10. Related party transactions

Within creditors is an amount of £3,831,664 (2018: £5,371,032) due to Mr E W Grove, a director of the Company. Interest of £401,174 (2018: £Nil) was charged on this loan during the year.

11. Audit opinion

The auditor's report on the financial statements for the year ended 31 March 2019 was qualified.

The basis for the qualification was as follows:

A sale completed during the prior year included £2.1 million which was subject to certain contractual obligations being satisfied. At the prior year end, these obligations had been satisfied and therefore the company was entitled to the full amount, although the company was not due to receival final settlement until December 2018. In the financial statements for 2018 the directors deferred the recognition of the £2.1 million of revenue until the year ended 31 March 2019. This is a departure from FRS102 as the company was entitled to recognise the revenue in that year. That caused us to qualify our audit opinion on the finanial statements for the year ended 31 March 2018. The financial statements for the year ended 31 March 2019 do not include any adjustment to correct the accounting treatment of the £2.1 million of revenue that should have been recognised in the 2018 financial statements. As a consequence our opinion on the current year's financial statements is also qualified because the retained earnings at the start of the year were understated by £2.1 million and revenue and profit before tax for the year ended 31 March 2019 are overstated by the same amount. Corporation tax was provided on the £2.1 million in 2018. There is no impact on the balance sheet at 31 March 2019.

The audit report was signed on 3 June 2019 by Christopher Barlow FCA FCCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.