

COMPANY REGISTRATION NUMBER: 04826171

RMR Limited
Unaudited Financial Statements
31 July 2016

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RMR Limited

Statement of Financial Position

31 July 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	2,176	–
Investments	10	160,220	158,035
		<u>162,396</u>	<u>158,035</u>
Current assets			
Debtors	11	634,967	822,679
Cash at bank and in hand		3,769,089	3,615,568
		<u>4,404,056</u>	<u>4,438,247</u>
Creditors: amounts falling due within one year	12	<u>402,281</u>	<u>442,960</u>
Net current assets		<u>4,001,775</u>	<u>3,995,287</u>
Total assets less current liabilities		<u>4,164,171</u>	<u>4,153,322</u>
Provisions			
Taxation including deferred tax	14	1,626	1,189
Net assets		<u>4,162,545</u>	<u>4,152,133</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	4,162,445	4,152,033
Shareholders funds		<u>4,162,545</u>	<u>4,152,133</u>

For the year ending 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The profit & loss account and director's Report have not been delivered to The Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

Director's responsibilities:

- The shareholders have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position
continues on the following page.

The notes on pages 3 to 13 form part of these financial statements.

RMR Limited

Statement of Financial Position *(continued)*

31 July 2016

These financial statements were approved by the board of directors and authorised for issue on 9 March 2017, and are signed on behalf of the board by:



Dr R Jacobson
Director

Company registration number: 04826171

The notes on pages 3 to 13 form part of these financial statements.

RMR Limited

Notes to the Financial Statements

Year ended 31 July 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", taking advantage of the disclosure exemptions available to small entities in Section 1A of the Standard.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 August 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Disclosure exemptions

No cash flow statement has been presented for the company.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

2. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are 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. Deferred tax is measured 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office Equipment	- 25% straight line
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RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

2. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

2. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

3. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	<u>939,240</u>	<u>1,026,130</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	725	—
Defined contribution plans expense	<u>34,500</u>	<u>118,000</u>

5. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	7,880	7,955
Company contributions to defined contribution pension plans	<u>34,500</u>	<u>118,000</u>
	<u>42,380</u>	<u>125,955</u>

6. Interest payable and similar charges

	2016	2015
	£	£
Loss on financial instruments	<u>—</u>	<u>50,023</u>

This represents the loss on financial instruments (listed investments) measured at fair value through profit or loss.

RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

7. Tax on profit on ordinary activities

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	119,481	119,308
Deferred tax:		
Fair value movement	437	(10,005)
Tax on profit on ordinary activities	<u>119,918</u>	<u>109,303</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.67%).

	2016 £	2015 £
Profit on ordinary activities before taxation	610,330	544,039
Profit on ordinary activities by rate of tax	122,066	112,428
Effect of expenses not deductible for tax purposes	244	–
Effect of capital allowances and depreciation	(435)	–
Dividend income not taxable	(1,957)	(1,981)
Fair value (gain)s/losses not taxable	(437)	10,340
Marginal relief	–	(1,479)
Deferred tax	437	(10,005)
Tax on profit on ordinary activities	<u>119,918</u>	<u>109,303</u>

8. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on Ordinary shares	<u>480,000</u>	<u>130,000</u>

Dividends of £4,800 per share were paid in the year (2015 - £1,300 per share).

RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

9. Tangible assets

	Equipment £	Total £
Cost		
Additions	2,901	2,901
At 31 July 2016	<u>2,901</u>	<u>2,901</u>
Depreciation		
Charge for the year	725	725
At 31 July 2016	<u>725</u>	<u>725</u>
Carrying amount		
At 31 July 2016	<u>2,176</u>	<u>2,176</u>
At 31 July 2015	<u>-</u>	<u>-</u>

10. Investments

	Other investment s other than loans £
Cost	
At 1 August 2015	158,035
Revaluations	2,185
At 31 July 2016	<u>160,220</u>
Impairment	
At 1 Aug 2015 and 31 Jul 2016	<u>-</u>
Carrying amount	
At 31 July 2016	<u>160,220</u>
At 31 July 2015	<u>158,035</u>

11. Debtors

	2016 £	2015 £
Trade debtors	631,350	820,902
Other debtors	3,617	1,777
	<u>634,967</u>	<u>822,679</u>

RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

12. Creditors: amounts falling due within one year

	2016	2015
	£	£
Corporation tax	119,481	119,308
Social security and other taxes	165,664	206,717
Other creditors	117,136	116,935
	<u>402,281</u>	<u>442,960</u>

13. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 14)	<u>1,626</u>	<u>1,189</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Other revaluations	<u>1,626</u>	<u>1,189</u>

14. Provisions

	Deferred tax (note 13)
	£
At 1 August 2015	1,189
Movement in year	437
At 31 July 2016	<u>1,626</u>

15. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £34,500 (2015: £118,000).

16. Called up share capital

Authorised share capital

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

16. Called up share capital *(continued)*

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

18. Director's advances, credits and guarantees

At 31 July 2016 the company owed the director, Dr R Jacobson, £89,049 (2015 - £88,848).

This amount is interest free, unsecured and repayable on demand.

19. Related party transactions

The director, Dr R R Jacobson, was paid dividends of £475,200 in the year (2015 - £128,700).

20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 August 2014.

RMR Limited

Notes to the Financial Statements (continued)

Year ended 31 July 2016

20. Transition to FRS 102 (continued)

Reconciliation of equity

	1 August 2014			31 July 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	152,090	55,968	208,058	152,090	5,945	158,035
Current assets	4,126,432	–	4,126,432	4,438,247	–	4,438,247
Creditors: amounts falling due within one year	(475,899)	–	(475,899)	(442,960)	–	(442,960)
Net current assets	3,650,533	–	3,650,533	3,995,287	–	3,995,287
Total assets less current liabilities	3,802,623	55,968	3,858,591	4,147,377	5,945	4,153,322
Provisions	–	(11,194)	(11,194)	–	(1,189)	(1,189)
Net assets	3,802,623	44,774	3,847,397	4,147,377	4,756	4,152,133
Capital and reserves	3,802,623	44,774	3,847,397	4,147,377	4,756	4,152,133

Reconciliation of profit or loss for the year

	Year ended 31 July 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	1,026,130	–	1,026,130
Administrative expenses	(447,572)	–	(447,572)
Operating profit	578,558	–	578,558
Other interest receivable and similar income	15,504	–	15,504
Interest payable and similar charges	–	(50,023)	(50,023)
Tax on profit on ordinary activities	(119,308)	10,005	(109,303)
Profit for the financial year	474,754	(40,018)	434,736

RMR Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

20. Transition to FRS 102 *(continued)*

As a result of the transition to FRS 102 and the consequent changes to accounting policies, the following adjustments have been made:

Financial instruments (investments)

Prior to applying FRS 102 the company carried its listed investments at cost. FRS 102 requires such financial instruments to be carried at fair value, with any gains or losses on revaluation to be taken to profit & loss. As a result a gain of £55,968 was recognised at the transition date (1 August 2014) and a loss of £50,023 in the year ended 31 July 2015.

Deferred taxation

FRS 102 requires deferred tax to be recognised on fair value gains or losses on assets. Previously tax would only be recognised at the time of disposal of the asset. As a result of restating its financial instruments at fair value, the company recognised a deferred tax liability of £11,194 at the transition date (1 August 2014) and a deferred tax credit of £10,005 in the year ended 31 July 2015. The deferred tax provision at 31 July 2015 was £1,189.