

Company Registration No. 553321 (England and Wales)

REEL LEISURE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

REEL LEISURE LIMITED

COMPANY INFORMATION

Directors	Mr. R. A. Bell Mrs. C. B. I. Bell Ms. L. C. Bell Mrs. D. L. Rhodes-Bell
Company number	553321
Registered office	5/7 Shaws Road Altrincham Cheshire WA14 1QU
Accountants	Ogden Townsend Limited 24/26 Jordangate Macclesfield Cheshire England SK10 1EW

REEL LEISURE LIMITED

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REEL LEISURE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Profit for the year	72,103	63,359
Other comprehensive income	-	-
Total comprehensive income for the year	<u>72,103</u>	<u>63,359</u>

REEL LEISURE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		1,670,164		1,688,933
Current assets					
Debtors	5	84,329		73,375	
Cash at bank and in hand		78,082		67,245	
		162,411		140,620	
Creditors: amounts falling due within one year	6	(461,811)		(630,387)	
Net current liabilities			(299,400)		(489,767)
Total assets less current liabilities			1,370,764		1,199,166
Creditors: amounts falling due after more than one year	7		(677,596)		(577,355)
Provisions for liabilities			(15,254)		-
Net assets			677,914		621,811
Capital and reserves					
Called up share capital	8	208,000		208,000	
Revaluation reserve		104,153		104,153	
Profit and loss reserves		365,761		309,658	
Total equity			677,914		621,811

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

REEL LEISURE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 8 May 2017 and are signed on its behalf by:

Mrs. D. L. Rhodes-Bell
Director

Company Registration No. 553321

REEL LEISURE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Revaluation reserves £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2015:					
Balance at 1 January 2015		208,000	104,153	352,098	664,251
Effect of change in accounting policy		-	-	(89,799)	(89,799)
As restated		208,000	104,153	262,299	574,452
Year ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	63,359	63,359
Dividends		-	-	(16,000)	(16,000)
Balance at 31 December 2015		208,000	104,153	309,658	621,811
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	72,103	72,103
Dividends		-	-	(16,000)	(16,000)
Balance at 31 December 2016		208,000	104,153	365,761	677,914

REEL LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Reel Leisure Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5/7 Shaws Road, Altrincham, Cheshire, WA14 1QU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents takings from gaming machines within the company's arcades, before deduction of Machine Gaming Duty. Revenue is recognised at the point of emptying the gaming machines, which is carried out on a regular basis, as adjusted on a time basis for estimated takings for the period between the last cash count and the period end.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	0.5% on cost
Land and buildings Leasehold	Over the period of the lease
Plant and equipment	25% on reducing balance
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

REEL LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation reduction.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

REEL LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a reduction in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

REEL LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.8 Taxation

The tax expense represents the sum of the tax currently payable, and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

REEL LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 37 (2015 - 37).

3 Intangible fixed assets

Goodwill
£

Cost

At 1 January 2016 and 31 December 2016

204,000

Amortisation and impairment

At 1 January 2016 and 31 December 2016

204,000

Carrying amount

At 31 December 2016

-

At 31 December 2015

-

4 Tangible fixed assets

Land and buildings **Plant and machinery etc** **Total**

£ **£** **£**

Cost

At 1 January 2016

1,477,618 1,862,614 3,340,232

Additions

- 117,286 117,286

Transfers

- (23,500) (23,500)

At 31 December 2016

1,477,618 1,956,400 3,434,018

Depreciation and impairment

At 1 January 2016

177,379 1,473,921 1,651,300

Depreciation charged in the year

8,837 121,988 130,825

Eliminated in respect of disposals

- (18,271) (18,271)

At 31 December 2016

186,216 1,577,638 1,763,854

Carrying amount

At 31 December 2016

1,291,402 378,762 1,670,164

At 31 December 2015

1,300,239 388,694 1,688,933

REEL LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Debtors	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	7,282	-
Other debtors	77,047	73,375
	<u>84,329</u>	<u>73,375</u>
	<u><u>84,329</u></u>	<u><u>73,375</u></u>
6 Creditors: amounts falling due within one year	2016	2015
	£	£
Bank loans and overdrafts	155,583	341,236
Trade creditors	58,231	73,851
Other taxation and social security	71,127	84,926
Other creditors	176,870	130,374
	<u>461,811</u>	<u>630,387</u>
	<u><u>461,811</u></u>	<u><u>630,387</u></u>
7 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Bank loans and overdrafts	590,947	499,439
Other creditors	86,649	77,916
	<u>677,596</u>	<u>577,355</u>
	<u><u>677,596</u></u>	<u><u>577,355</u></u>
The long-term loans are secured by first legal charges over the company's freehold properties.		
8 Called up share capital	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
8,000 Ordinary shares of £1 each	8,000	8,000
	<u>8,000</u>	<u>8,000</u>
Preference share capital		
Issued and fully paid		
200,000 8% redeemable preference shares of £1 each	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
	<u><u>200,000</u></u>	<u><u>200,000</u></u>

REEL LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2016	2015
	£	£
	317,650	212,750
	<u> </u>	<u> </u>

10 Directors' transactions

Dividends totalling £16,000 (2015 - £16000) were paid in the year in respect of shares held by one of the company's directors.

11 Prior period adjustment

A policy of depreciating freehold property has now been adopted to align with the requirements of the financial reporting standards. Prior year adjustments have been processed to calculate the depreciation charge on each property from the date of the last disclosed valuation. In accordance with Financial Reporting Standard 102 the previously reported valuation of freehold properties has been adopted as the deemed cost at the date of transition to the new financial reporting standards.

Changes to the balance sheet

	At 31 December 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Tangible assets	1,785,707	(96,774)	1,688,933
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	406,432	(96,774)	309,658
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 December 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(644,733)	(6,975)	(651,708)
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	70,334	(6,975)	63,359
	<u> </u>	<u> </u>	<u> </u>

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