

Red Oak Direct Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2018

Gibbons
Chartered Accountants
Carleton House
136 Gray Street
Workington
Cumbria
CA14 2LU

Red Oak Direct Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Financial Statements	<u>4</u> to <u>10</u>

Red Oak Direct Limited

Company Information

Directors Mr N Brayton
Mrs M Brayton

Company secretary Mrs M Brayton

Registered office Barnhill
Distington
Cumbria
CA14 5SH

Bankers HSBC Bank plc
69 Lowther Street
Whitehaven
Cumbria
CA28 7AD

Accountants Gibbons
Chartered Accountants
Carleton House
136 Gray Street
Workington
Cumbria
CA14 2LU

Red Oak Direct Limited

(Registration number: 04780413)
Balance Sheet as at 31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	155,746	155,984
Current assets			
Stocks	<u>5</u>	78,397	72,931
Debtors	<u>6</u>	27,090	29,666
Cash at bank and in hand		646	1,129
		<u>106,133</u>	<u>103,726</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(152,920)</u>	<u>(158,161)</u>
Net current liabilities		<u>(46,787)</u>	<u>(54,435)</u>
Total assets less current liabilities		108,959	101,549
Creditors: Amounts falling due after more than one year	<u>7</u>	(62,270)	(70,057)
Provisions for liabilities		<u>(750)</u>	<u>(1,395)</u>
Net assets		<u>45,939</u>	<u>30,097</u>
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Profit and loss account		<u>45,839</u>	<u>29,997</u>
Total equity		<u>45,939</u>	<u>30,097</u>

The notes on pages 4 to 10 form an integral part of these financial statements.

Red Oak Direct Limited

(Registration number: 04780413) Balance Sheet as at 31 May 2018

For the financial year ending 31 May 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 15 February 2019 and signed on its behalf by:

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Mr N Brayton

Director

The notes on pages 4 to 10 form an integral part of these financial statements.

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Barnhill
Distington
Cumbria
CA14 5SH

The principal place of business is:

Barnhill
Distington
Cumbria
CA14 5SH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

Judgements

In the process of applying its accounting policies, the company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented. On an ongoing basis, the company evaluates its estimates using historical experience consultation and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts which give rise to the revision become known. The estimates and judgements the company believes to have the most significant impact on the annual results under FRS 102 include the estimated useful economic life of tangible fixed assets and the valuation of stock.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other 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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	Nil
Fixtures, fittings and equipment	25% Straight line basis
Plant and machinery	25% Reducing balance basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 6 (2017 - 7).

4 Tangible assets

	Land and buildings £	Fixtures, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 June 2017	149,999	13,482	28,797	192,278
Additions	-	333	1,475	1,808
At 31 May 2018	149,999	13,815	30,272	194,086
Depreciation				
At 1 June 2017	-	11,277	25,017	36,294
Charge for the year	-	854	1,192	2,046
At 31 May 2018	-	12,131	26,209	38,340
Carrying amount				
At 31 May 2018	149,999	1,684	4,063	155,746
At 31 May 2017	149,999	2,205	3,780	155,984

Included within the net book value of land and buildings above is £149,999 (2017 - £149,999) in respect of freehold land and buildings.

5 Stocks

	2018 £	2017 £
Finished goods and goods for resale	78,397	72,931

6 Debtors

	2018 £	2017 £
Trade debtors	23,178	24,919
Other debtors	3,912	4,747
Total current trade and other debtors	27,090	29,666

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

7 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	<u>8</u>	33,529	38,785
Trade creditors		39,491	33,556
Taxation and social security		4,765	5,584
Other creditors		69,274	76,749
Corporation tax control		<u>5,861</u>	<u>3,487</u>
		<u>152,920</u>	<u>158,161</u>

Due after one year

Loans and borrowings	<u>8</u>	<u>62,270</u>	<u>70,057</u>
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Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	<u>8</u>	<u>62,270</u>	<u>70,057</u>

8 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	<u>62,270</u>	<u>70,057</u>

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	7,667	7,548
Bank overdrafts	<u>25,862</u>	<u>31,237</u>
	<u>33,529</u>	<u>38,785</u>

Loans and borrowings

The company has given security on the bank loan and bank overdraft in the form of fixed and floating charges.

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

9 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.