

Red Oak Direct Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2020

Red Oak Direct Limited

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Red Oak Direct Limited

Company Information

Directors Mr N Brayton
Mrs M Brayton

Company secretary Mrs M Brayton

Registered office Barngill
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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	159,640	156,586
Current assets			
Stocks	<u>5</u>	79,863	67,731
Debtors	<u>6</u>	27,410	28,537
Cash at bank and in hand		34,797	632
		<u>142,070</u>	<u>96,900</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(105,384)</u>	<u>(140,782)</u>
Net current assets/(liabilities)		<u>36,686</u>	<u>(43,882)</u>
Total assets less current liabilities		196,326	112,704
Creditors: Amounts falling due after more than one year	<u>7</u>	(96,480)	(54,613)
Provisions for liabilities		<u>(1,617)</u>	<u>(981)</u>
Net assets		<u>98,229</u>	<u>57,110</u>
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Profit and loss account		<u>98,129</u>	<u>57,010</u>
Total equity		<u>98,229</u>	<u>57,110</u>

Red Oak Direct Limited

(Registration number: 04780413)
Balance Sheet as at 31 May 2020

For the financial year ending 31 May 2020 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 19 February 2021 and signed on its behalf by:

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Mr N Brayton

Director

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2020

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 2020

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.

Government grants

Income from government grants is accounted for to recognise the income in the period in which the related costs arise. If the grant is receivable without specific related costs being incurred then the grant proceeds are recognised when they are received or receivable.

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 2020

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 2020

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2020

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 6 (2019 - 6).

4 Tangible assets

	Land and buildings £	Fixtures, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 June 2019	149,999	3,888	30,801	184,688
Additions	-	5,214	-	5,214
At 31 May 2020	149,999	9,102	30,801	189,902
Depreciation				
At 1 June 2019	-	829	27,274	28,103
Charge for the year	-	1,275	884	2,159
At 31 May 2020	-	2,104	28,158	30,262
Carrying amount				
At 31 May 2020	149,999	6,998	2,643	159,640
At 31 May 2019	149,999	3,059	3,528	156,586

Included within the net book value of land and buildings above is £149,999 (2019 - £149,999) in respect of freehold land and buildings.

5 Stocks

	2020 £	2019 £
Finished goods and goods for resale	79,863	67,731

6 Debtors

	2020 £	2019 £
Trade debtors	21,376	25,389
Other debtors	6,034	3,148
Total current trade and other debtors	27,410	28,537

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2020

7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	8	7,898	29,619
Trade creditors		30,866	39,875
Taxation and social security		10,992	8,375
Other creditors		45,682	59,409
Corporation tax control		9,946	3,504
		<u>105,384</u>	<u>140,782</u>

Due after one year

Loans and borrowings	8	<u>96,480</u>	<u>54,613</u>
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Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	8	<u>96,480</u>	<u>54,613</u>

8 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Bank borrowings	<u>96,480</u>	<u>54,613</u>

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	7,898	7,662
Bank overdrafts	-	21,957
	<u>7,898</u>	<u>29,619</u>

Red Oak Direct Limited

Notes to the Financial Statements for the Year Ended 31 May 2020

9 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Workington

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