

Company Registration No. SC298317 (Scotland)

CHARLES REID LTD.
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018
PAGES FOR FILING WITH REGISTRAR

CHARLES REID LTD.

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CHARLES REID LTD.

BALANCE SHEET

AS AT 31 MAY 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Goodwill	3		14,080		15,840
Tangible assets	4		275,945		316,493
			<u>290,025</u>		<u>332,333</u>
Current assets					
Stocks		220,158		233,363	
Debtors	5	135,646		168,078	
Cash at bank and in hand		-		287	
		<u>355,804</u>		<u>401,728</u>	
Creditors: amounts falling due within one year	6	(429,037)		(518,672)	
Net current liabilities			(73,233)		(116,944)
Total assets less current liabilities			216,792		215,389
Creditors: amounts falling due after more than one year	7		(85,830)		(114,763)
Provisions for liabilities					
Deferred tax liability		44,808		41,067	
		<u>(44,808)</u>		<u>(41,067)</u>	
Net assets			<u>86,154</u>		<u>59,559</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			86,054		59,459
Total equity			<u>86,154</u>		<u>59,559</u>

CHARLES REID LTD.

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2018

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 May 2018 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 Companies Act 2006 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.

The financial statements were approved by the board of directors and authorised for issue on 18 September 2018 and are signed on its behalf by:

Mr C A Reid
Director

Company Registration No. SC298317

CHARLES REID LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Company information

Charles Reid Ltd. is a private company limited by shares incorporated in Scotland. The registered office and principal place of business is Stonehouse Smiddy, Gight, ELLON, AB41 7HY.

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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The balance sheet shows net current liabilities of £73,233 (2017 - £116,944). However the directors have confirmed that they will provide adequate resources to ensure that the company continues its operational existence for the foreseeable future. In particular, they have confirmed that they will ensure all liabilities are met. In coming to this conclusion, the directors have paid particular attention to the period of one year from the date of approval of the financial statements. The directors shall not seek repayment of their loans until all due debts have been paid.

1.3 Turnover

Turnover represents amounts receivable for engineering, building and repairs work net of VAT and trade discounts. Turnover is recognised on an accruals basis.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years. The directors believe this to be a reasonable estimation.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Plant and machinery	- 20% Reducing Balance
Motor vehicles	- 20% 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.

1.6 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).

CHARLES REID LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

CHARLES REID LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

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 decrease 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 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.

1.11 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.

1.12 Taxation

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

CHARLES REID LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

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.

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.

1.13 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.

1.14 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2017 - 12).

CHARLES REID LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2017 and 31 May 2018	35,200
Amortisation and impairment	
At 1 June 2017	19,360
Amortisation charged for the year	1,760
At 31 May 2018	21,120
Carrying amount	
At 31 May 2018	14,080
At 31 May 2017	15,840

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 June 2017	693,181
Additions	28,438
At 31 May 2018	721,619
Depreciation and impairment	
At 1 June 2017	376,688
Depreciation charged in the year	68,986
At 31 May 2018	445,674
Carrying amount	
At 31 May 2018	275,945
At 31 May 2017	316,493

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	132,905	159,186
Other debtors	2,741	8,892
	135,646	168,078

CHARLES REID LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	75,136	142,916
Obligations under finance leases	43,177	71,093
Trade creditors	72,031	94,405
Corporation tax	13,461	-
Other taxation and social security	6,883	6,672
Other creditors	184,999	193,386
Accruals and deferred income	33,350	10,200
	<u>429,037</u>	<u>518,672</u>

Obligations under finance lease are secured over the assets to which they relate.

7 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Obligations under finance leases	85,830	114,763
	<u>85,830</u>	<u>114,763</u>

Obligations under finance lease are secured over the assets to which they relate.

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Controlling Party

The company is controlled by the directors, Mr C Reid and Mrs G T Reid, who equally own 100% of the issued share capital.

10 Related party transactions

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
Amounts owed to related parties		
Key management personnel	184,447	192,495
	<u>184,447</u>	<u>192,495</u>

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.