REGISTERED NUMBER: SC416421 (Scotland)

Financial Statements for the Year Ended 29 February 2020

for

Reynold 123 Limited

Previously known as
Brewhemia Limited

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Reynold 123 Limited

Company Information for the Year Ended 29 February 2020

DIRECTORS:	S W Smith P Smith
SECRETARY:	K M Liddle
REGISTERED OFFICE:	2nd Floor Offices 52-54 King Street Stirling FK8 1AY
REGISTERED NUMBER:	SC416421 (Scotland)
SENIOR STATUTORY AUDITOR:	Derek J Smith
AUDITORS:	Rennie Smith & Co Statutory Auditors Chartered Accountants 64 Murray Place Stirling FK8 2BX

Balance Sheet
29 February 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		1,333,029		1,473,430
CURRENT ASSETS					
Stocks		64,470		83,652	
Debtors	5	386,719		292,757	
Cash at bank and in hand		225,950		114,211	
		677,139		490,620	
CREDITORS					
Amounts falling due within one year	6	1,347,811		1,588,604	
NET CURRENT LIABILITIES			(670,672)		(1,097,984)
TOTAL ASSETS LESS CURRENT LIABILITIES			662,357		375,446
CREDITORS					
Amounts falling due after more than one year	7		(799,900)		(858,233)
PROVISIONS FOR LIABILITIES	11		(12,886)		-
NET LIABILITIES			(150,429)		(482,787)
CAPITAL AND RESERVES					
Called up share capital	12		200		200
Retained earnings	13		(150,629)		(482,987)
SHAREHOLDERS' FUNDS			(150,429)		(482,787)

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 16 August 2021 and were signed on its behalf by:

P Smith - Director

The notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 29 February 2020

1. STATUTORY INFORMATION

Reynold 123 Limited is a private company, limited by shares , registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The balance sheet at 29 February 2020 shows net liabilities of £170,450. However, there is no fixed date for redemption of the remainder of the preference shares and it is not the intention of the directors to redeem those shares until the company has sufficient liquidity. .In addition, the loan notes which are included in long term liabilities are repayable in October 2021 and, whilst, other loans from shareholders and associates, as mentioned at notes 11 and 15 have been classified as short term it is not the intention of those parties to seek repayment with the next 12 month period.

Attention is also drawn to note 17 of the accounts concerning COVID 19. Management has determined that the actions that it has taken are sufficient to mitigate the uncertainty created by the pandemic. Accordingly, the directors have prepared the financial statements on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty
In preparing the financial statements the directors have made the following judgements

Taxation

Management establish provisions based on reasonable estimates, for possible consequences of taxation. The amount of the provision is based on various factors. Management's estimation is required to determine the amount of deferred tax that can be recognized based on likely timing and level of future taxable profits.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing assets lives, factors such as technology innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold improvements	-	10% on cost
Fixtures and fittings	-	10% on cost

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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2. ACCOUNTING POLICIES - continued

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

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments and are readily convertible to known amounts of cash with insignificant risk of change in value.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 148 (2019 - 136) .

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Notes to the Financial Statements - continued for the Year Ended 29 February 2020

4. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Totals £
COST			
At 1 March 2019	1,404,345	343,556	1,747,901
Additions	7,093	29,725	36,818
Disposals	-	(2,423)	(2,423)
At 29 February 2020	1,411,438	370,858	1,782,296
DEPRECIATION			
At 1 March 2019	223,015	51,456	274,471
Charge for year	140,598	34,824	175,422
Eliminated on disposal	-	(626)	(626)
At 29 February 2020	363,613	85,654	449,267
NET BOOK VALUE			
At 29 February 2020	1,047,825	285,204	1,333,029
At 28 February 2019	1,181,330	292,100	1,473,430

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Amounts owed by associates	198,746	150,610
Other debtors	187,973	142,147
	386,719	292,757

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts	58,333	50,000
Trade creditors	301,641	352,696
Amounts owed to associates	3,277	1,173
Taxation and social security	328,586	263,547
Other creditors	655,974	921,188
	1,347,811	1,588,604

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Bank loans	-	58,333
Other creditors	799,900	799,900
	799,900	858,233

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Notes to the Financial Statements - continued for the Year Ended 29 February 2020

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	200,000	200,000
Between one and five years	800,000	800,000
In more than five years	333,333	533,333
	1,333,333	1,533,333

9. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	58,333	108,333

The bank hold a floating charge over all the property or undertakings of the company.

10. FINANCIAL INSTRUMENTS

The issued preference shares in the company was 299,000 shares of £1 each as at the balance sheet date with 199,500 of those shares being redeemed after the year end. Those shares carry no voting rights but the holders of the shares are entitled to a fixed cumulative dividend at the rate of 3.5% per annum on the nominal value of the preference shares. The unpaid cumulative dividend at the balance sheet date was £35,113..

In addition, the shareholders hold loan notes in the total amount of £500,000. Those notes, which are not transferable, are unsecured and bear an interest rate of 10%. The loan notes are repayable on 26 October 2021.The unpaid cumulated interest on those notes at the balance sheet date was £88,093.

11. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	12,886	-

	Deferred tax
	£
Provided during year	12,886
Balance at 29 February 2020	12,886

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
200	Ordinary	£1	200	200

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Notes to the Financial Statements - continued for the Year Ended 29 February 2020

13. RESERVES

	Retained earnings £
At 1 March 2019	(482,987)
Profit for the year	332,358
At 29 February 2020	(150,629)

14. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Derek J Smith (Senior Statutory Auditor)
for and on behalf of Rennie Smith & Co

15. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The directors advanced loans to the company during the prior year in the total amount of £384,412. The company repaid £200,000 during the year under review. Those loans which have no fixed term of repayment are unsecured but interest at the rate of 10% has been accrued on the outstanding balance. The unpaid accumulated interest at the balance sheet date was £158,069.

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Notes to the Financial Statements - continued
for the Year Ended 29 February 2020

16. **RELATED PARTY DISCLOSURES**

Lochrise Limited

During the period under review, Lochrise Limited raised invoices and charges in the amount of £181,971 (2019 -£40,301) in respect of expenses incurred on behalf of Reyonld 123 Limited. Reynold 123 Limited also incurred expenses costs relating to Lochrise Limited in the amount of £0 (2019 - £1,707). A management charge of £199,315 was paid to Lochrise Limited during the year concerned. The company made payments to Lochrise Limited in the amount of £433,270 being payments towards any costs incurred.

In addition, Lochrise had advanced funds to the company in prior years in the amount of £107,563. Any outstanding balances on this loan is unsecured but interest at the rate of 8% has been accrued on the outstanding balance..The unpaid accumulated interest at the balance sheet date was £23,221..

The balance due from Lochrise Limited at the balance sheet date was in the amount of £165,658 (2019- (£150,610).

City Falkirk Limited

During the period under review, City Falkirk Limited incurred expenses and transferred stock at a total value of £2,103 to Reynold 123 Limited. In addition. Reynold 123 Limited transferred stock to City Falkirk Limited oF £697 (2019 - £51) during the year concerned.

The balance due to City Falkirk Limited at the balance sheet date was in the amount of £2,517 (2019 - £1,111)...

Fubar Stirling Limited

During the period under review, Fubar Stirling Limited incurred expenses of £1,145 on behalf of Reynold 123 Limited. Reynold 123 Limited incurred expenses of £448.

The balance due to Fubar Stirling Limited at the balance sheet date was in the amount of £760 (2019 - £62)..

Endeavour Hospitality Limited

During the year under review the company advanced £60,000 to Endeavour Hospitality Limited and incurred costs of £594 on behalf of Endeavour Hospitality Limited. In addition that company raised invoices in respect in respect of stock transferred in the total amount of £27,506

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The balance due from Endeavour Hospitality at the balance sheet date was £33,088.

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Notes to the Financial Statements - continued
for the Year Ended 29 February 2020

17. POST BALANCE SHEET EVENTS

The COVID 19 pandemic developed rapidly in 2020 with a significant number of cases. Measures taken by the Scottish government to contain the virus included the total closure of the company's premises in March 2020. Although there were intermittent attempts to reopen the venue during 2020, it did not open on a continuous basis until May 2021 and hopefully matter can now resume as normal.

At this stage, the impact on the business has been severe but with the financing that the company has in place coupled with the steps we have taken to monitor and contain the fixed overheads of the business we are confident that the company will recover from the fallout of this pandemic. We will continue to monitor and follow government policies and advice and will do our utmost to maintain the going concern position of the company but without jeopardizing the health of our people.

In view of the above, the bank covenant was not met in the year to 28 February 2021 and, as a result, the long term secured debt would become payable on demand. In accordance with Financial Reporting Standard 102, the long term debt has been treated as current.

18. ULTIMATE CONTROLLING PARTY

The company is under the control of the shareholders..

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