

Company Registration No. 01288010 (England and Wales)

REED M & E LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

REED M & E LIMITED

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REED M & E LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		9,965		12,923
Current assets					
Stocks		15,000		38,000	
Debtors	4	529,578		252,823	
Cash at bank and in hand		692,520		636,048	
		<u>1,237,098</u>		<u>926,871</u>	
Creditors: amounts falling due within one year	5	<u>(612,494)</u>		<u>(430,419)</u>	
Net current assets			624,604		496,452
Total assets less current liabilities			<u>634,569</u>		<u>509,375</u>
Provisions for liabilities			(1,893)		(2,455)
Net assets			<u>632,676</u>		<u>506,920</u>
Capital and reserves					
Called up share capital	6		100		100
Profit and loss reserves	7		632,576		506,820
Total equity			<u>632,676</u>		<u>506,920</u>

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 March 2020 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.

REED M & E LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£

The financial statements were approved by the board of directors and authorised for issue on 25 January 2021 and are signed on its behalf by:

Mr C M Carey
Director

Company Registration No. 01288010

REED M & E LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 135 Red Lion Road, Surbiton, KT6 7RQ, Surrey.

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 is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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:

Fixtures and fittings	15% reducing balance
Computers	25% straight line
Motor vehicles	25% 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 Stocks

Stocks are stated at the lower of cost and 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

REED M & E LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Cash at bank and in hand

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.

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.

1.7 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.

REED M & E LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

1.8 Retirement benefits

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	9	9
	<u> </u>	<u> </u>

REED M & E LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 1 April 2019	18,543	14,894	40,009	73,446
Additions	-	500	-	500
At 31 March 2020	18,543	15,394	40,009	73,946
Depreciation and impairment				
At 1 April 2019	16,897	13,810	29,816	60,523
Depreciation charged in the year	247	663	2,548	3,458
At 31 March 2020	17,144	14,473	32,364	63,981
Carrying amount				
At 31 March 2020	1,399	921	7,645	9,965
At 31 March 2019	1,646	1,084	10,193	12,923

4 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	505,747	243,489
Other debtors	12,083	5,405
Prepayments and accrued income	11,748	3,929
	529,578	252,823

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	503,062	393,454
Corporation tax	30,060	2,888
Other taxation and social security	58,247	26,192
Other creditors	2,375	1,585
Accruals and deferred income	18,750	6,300
	612,494	430,419

REED M & E LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Called up share capital

	2020	2019
	£	£
Ordinary share capital Issued and fully paid		
100 Ordinary share of £1 each	100	100
	<u>100</u>	<u>100</u>

7 Profit and loss reserves

	2020	2019
	£	£
At the beginning of the year	506,820	491,768
Profit for the year	125,756	15,052
	<u>632,576</u>	<u>506,820</u>

8 Events after the reporting date

The effects of the Covid19 global pandemic that started in early 2020, on the UK economy and the subsequent effect of this to the company's performance in 2020/2021 is currently unknown as at the date of approval of the 2020 accounts the UK was still in the middle of the pandemic.

9 Related party transactions

Transactions with related parties

	Management charges payable	
	2020	2019
	£	£
Entity under common control by the company's key management personnel	125,000	135,000
	<u>125,000</u>	<u>135,000</u>

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due from related parties		
Entity under common control by the company's key management personnel	12,083	1,378
	<u>12,083</u>	<u>1,378</u>

10 Parent company

The company is a 100% subsidiary of Reed Engineering Mechanical Services Ltd which is the ultimate parent company.

