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Alex Reid Limited

Registered number: 01025547

Audited financial statements

For the year ended 31 December 2018

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ALEX REID LIMITED
REGISTERED NUMBER: 01025547

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|--|------|-------------------------|-------------------------|
| Current assets | | | |
| Intangible assets | 4 | 7,809 | 15,619 |
| Tangible assets | 5 | 3,401 | 106,512 |
| Stocks | 6 | - | 811,505 |
| Debtors | | 212,945 | 1,384,434 |
| Cash at bank and in hand | | 14,003 | 16,076 |
| | | <u>238,158</u> | <u>2,234,146</u> |
| Creditors: amounts falling due within one year | 7 | (585,428) | (2,899,258) |
| Total assets less current liabilities | | <u>(347,270)</u> | <u>(565,112)</u> |
| Provisions for liabilities | | | |
| Other provisions | 8 | (96,671) | (420,427) |
| | | <u>(96,671)</u> | <u>(420,427)</u> |
| Net liabilities | | <u><u>(443,941)</u></u> | <u><u>(985,539)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 191,803 | 191,803 |
| Capital redemption reserve | | 63,000 | 63,000 |
| Profit and loss account | | (698,744) | (1,240,342) |
| | | <u><u>(443,941)</u></u> | <u><u>(985,539)</u></u> |

ALEX REID LIMITED
REGISTERED NUMBER: 01025547

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



24/06/2019

N J Garthwaite
Director

The notes on pages 3 to 12 form part of these financial statements.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Alex Reid Limited is a private company which is limited by shares. It is incorporated in England and Wales.

Registered office:
Rutland Street
Bradford
West Yorkshire
BD4 7EA

During the period the principal activity to the date of cessation of trade was the supply of machines and machine servicing to the dry cleaning industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared on a basis other than the going concern basis as the company ceased to trade during the period. As such all activities within the Statement of Comprehensive Income are considered to be discontinued.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Algimo NV as at 31 December 2018 and these financial statements may be obtained from Algimo NV, Coupure 10, 9000, Gent, Belgium.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Going concern

The Board of Directors announced on the 29 January 2018 that the Company would cease to trade on the 31 March 2018. As a result of the cessation of trade, the financial statements have been prepared on a basis other than the going concern basis. All relevant winding up costs have been accrued within these financial statements.

The Directors have sought and received assurances from the wider group which the Company forms part of that financial and managerial support will be made available, to ensure that the Company can settle its liabilities as they fall due during the period of winding up.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

| | | | |
|----------|---|---|-------|
| Software | - | 5 | years |
|----------|---|---|-------|

Amortisation rate is based on a historical knowledge of the lifetime of software.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. The estimated useful lives range as follows:

Depreciation is provided on the following basis:

| | | |
|---------------------|-------|---------------------------|
| Plant & machinery | - 50% | straight line |
| Fixtures & fittings | - 28% | straight line |
| Other fixed assets | - | 33% and 50% straight line |

2.13 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased. The impairment losses charged in the year can be seen in the relevant notes to the accounts.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 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 that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

| | 2018 | 2017 |
|---------------|-----------|-----------|
| | No. | No. |
| Manufacturing | <u>10</u> | <u>39</u> |

4. Intangible assets

| | Software £ |
|-----------------------|---------------|
| Cost | |
| At 1 January 2018 | 355,333 |
| Disposals | (316,284) |
| At 31 December 2018 | <u>39,049</u> |
| Amortisation | |
| At 1 January 2018 | 339,714 |
| Charge for the year | 7,810 |
| On disposals | (316,284) |
| At 31 December 2018 | <u>31,240</u> |
| Net book value | |
| At 31 December 2018 | <u>7,809</u> |
| At 31 December 2017 | <u>15,619</u> |

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. Tangible fixed assets

| | Plant & machinery £ | Fixtures & fittings £ | Other fixed assets £ | Total £ |
|-------------------------------------|---------------------------|-----------------------------|----------------------------|----------------|
| Cost or valuation | | | | |
| At 1 January 2018 | 334,146 | 377,710 | 93,882 | 805,738 |
| Disposals | (319,988) | (365,736) | (93,882) | (779,606) |
| At 31 December 2018 | <u>14,158</u> | <u>11,974</u> | <u>-</u> | <u>26,132</u> |
| Depreciation | | | | |
| At 1 January 2018 | 272,912 | 332,432 | 93,882 | 699,226 |
| Charge for the year on owned assets | 15,166 | 8,956 | - | 24,122 |
| Disposals | (277,321) | (329,414) | (93,882) | (700,617) |
| At 31 December 2018 | <u>10,757</u> | <u>11,974</u> | <u>-</u> | <u>22,731</u> |
| Net book value | | | | |
| At 31 December 2018 | <u>3,401</u> | <u>-</u> | <u>-</u> | <u>3,401</u> |
| At 31 December 2017 | <u>61,234</u> | <u>45,278</u> | <u>-</u> | <u>106,512</u> |

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. Stocks

| | 2018 £ | 2017 £ |
|-------------------------------------|-----------|----------------|
| Raw materials and consumables | - | 619,818 |
| Work in progress (goods to be sold) | - | 4,543 |
| Finished goods and goods for resale | - | 187,144 |
| | <u>-</u> | <u>811,505</u> |

Stock recognised in cost of sales during the year as an expense was £952,761 (2017 - £396,727).

An impairment loss of £nil (2017 - £267,781) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

7. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|--------------------------------------|----------------|------------------|
| Trade creditors | 30,143 | 649,948 |
| Amounts owed to group undertakings | 497,936 | 1,325,098 |
| Other taxation and social security | 1,000 | 96,236 |
| <i>Invoice discounting liability</i> | 33,337 | 794,903 |
| Other creditors | - | 5,948 |
| Accruals and deferred income | 23,012 | 27,125 |
| | <u>585,428</u> | <u>2,899,258</u> |

The proceeds of invoice discounting are secured against the trade debtors of the Company.

The bank facilities are subject to a secured unlimited guarantee from the immediate parent and a debenture held over all assets.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. Provisions

| | Dilapidation £ | Onerous lease £ | Other provision £ | Total £ |
|----------------------------|----------------------|-----------------------|-------------------------|----------------------|
| At 1 January 2018 | 120,000 | 76,667 | 223,760 | 420,427 |
| Utilised in year | (86,500) | (26,667) | (210,589) | (323,756) |
| At 31 December 2018 | <u>33,500</u> | <u>50,000</u> | <u>13,171</u> | <u>96,671</u> |

The onerous lease provision relates to leasehold property which is legally contracted. A dilapidations accrual in respect of this asset has also been charged. Other provisions relate to the early termination of plant and machinery leases and legal fee provisions.

9. Share capital

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Allotted, called up and fully paid | | |
| 191,800 (2017 - 191,800) Ordinary shares shares of £1.00 each | 191,800 | 191,800 |
| 3 (2017 - 3) Ordinary A shares shares of £1.00 each | 3 | 3 |
| | <u>191,803</u> | <u>191,803</u> |

Ordinary shares and Ordinary A shares have one voting right per share and can participate in dividend distributions.

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,492 (2017: £28,548). Contributions totalling £nil (2017: £2,833) were payable to the fund at the balance sheet date.

ALEX REID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Post balance sheet events

There have been no significant events affecting the Company since the year end.

12. Controlling party

The ultimate parent company is Algimo NV, a company registered in Belgium. The registered office is: Algimo NV, Coupure 10, 9000, Gent, Belgium.

The immediate parent company is Christeyns UK Limited, a company registered in England and Wales.

13. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on *24 June 2019* by Ian Wrightson (Senior Statutory Auditor) on behalf of Mazars LLP. The Audit Report included an emphasis of matter in relation to the Directors preparing the financial statements on a basis other than the going concern basis. The audit report was not qualified in respect of this matter.