

Reynolds Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 28 February 2019

Blue Spire Limited
Chartered Accountants
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Reynolds Limited

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Reynolds Limited

Company Information

Directors N A Reynolds
DJ Reynolds
J B Reynolds
S J Reynolds
M N Reynolds

Company secretary Mrs L A Reynolds

Registered office 27/31 High Street
Bognor Regis
West Sussex
PO21 1RR

Bankers National Westminster Bank Plc
60 High Street
Bognor Regis
West Sussex
PO21 1SL

Accountants Blue Spire Limited
Chartered Accountants
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Reynolds Limited
for the Year Ended 28 February 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Reynolds Limited for the year ended 28 February 2019 as set out on pages [3](#) to [8](#) from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Reynolds Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Reynolds Limited and state those matters that we have agreed to state to the Board of Directors of Reynolds Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Reynolds Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Reynolds Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Reynolds Limited. You consider that Reynolds Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Reynolds Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Blue Spire Limited
Chartered Accountants
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

6 November 2019

Reynolds Limited

(Registration number: 00461520)
Balance Sheet as at 28 February 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	2,397,356	2,597,119
Investment property	5	3,715,057	3,250,000
		<u>6,112,413</u>	<u>5,847,119</u>
Current assets			
Stocks	6	354,716	254,275
Debtors	7	540,814	593,171
Cash at bank and in hand		1,961,208	2,156,652
		<u>2,856,738</u>	<u>3,004,098</u>
Creditors: Amounts falling due within one year	8	<u>(1,145,664)</u>	<u>(1,285,653)</u>
Net current assets		<u>1,711,074</u>	<u>1,718,445</u>
Total assets less current liabilities		7,823,487	7,565,564
Provisions for liabilities		<u>(398,832)</u>	<u>(422,806)</u>
Net assets		<u>7,424,655</u>	<u>7,142,758</u>
Capital and reserves			
Called up share capital	9	42,661	42,661
Fair value reserve		1,827,028	1,679,967
Other reserves		42,339	42,339
Profit and loss account		5,512,627	5,377,791
		<u>7,424,655</u>	<u>7,142,758</u>

For the financial year ending 28 February 2019 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 6 November 2019 and signed on its behalf by:

M N Reynolds
Director

The notes on pages [4](#) to [8](#) form an integral part of these financial statements.
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Reynolds Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

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:
27/31 High Street
Bognor Regis
West Sussex
PO21 1RR

These financial statements were authorised for issue by the Board on 6 November 2019.

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.

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.

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

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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:

Reynolds Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

Asset class	Depreciation method and rate
Freehold property	not depreciated
Leasehold property	straight line over the period of the lease
Fixtures & fittings	25% straight line/20% straight line for shop refurbishment
Motor vehicles	25% straight line

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the Directors. The Directors use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

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.

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.

Share capital

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.

Reynolds Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 41 (2018 - 41).

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2018	1,979,211	446,497	770,808	3,196,516
Additions	-	18,127	-	18,127
At 28 February 2019	1,979,211	464,624	770,808	3,214,643
Depreciation				
At 1 March 2018	-	385,186	214,211	599,397
Charge for the year	-	38,278	179,612	217,890
At 28 February 2019	-	423,464	393,823	817,287
Carrying amount				
At 28 February 2019	1,979,211	41,160	376,985	2,397,356
At 28 February 2018	1,979,211	61,311	556,597	2,597,119

Included within the net book value of land and buildings above is £1,979,211 (2018 - £1,979,211) in respect of freehold land and buildings.

5 Investment properties

	2019
	£
At 1 March	3,250,000
Additions	465,057

There has been no valuation of investment property by an independent valuer.

6 Stocks

	2019	2018
	£	£
Other inventories	<u>354,716</u>	<u>254,275</u>

Reynolds Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

7 Debtors

	2019 £	2018 £
Trade debtors	290,656	367,845
Prepayments	246,330	204,517
Other debtors	3,828	20,809
	540,814	593,171
	540,814	593,171

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts	10	-	299,664
Trade creditors		802,335	631,797
Taxation and social security		26,472	43,786
Accruals and deferred income		69,611	109,763
Other creditors		247,246	200,643
		1,145,664	1,285,653
		1,145,664	1,285,653

9 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary of £1 each	42,664	42,664	42,664	42,664
	42,664		42,664	
	42,664		42,664	

10 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	-	299,664
	-	299,664
	-	299,664

Reynolds Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

11 Dividends

Interim dividends paid

	2019 £	2018 £
Interim dividend of £13.30 (2018 - £9.00) per each Ordinary	559,976	383,976

12 Related party transactions

Transactions with directors

	At 1 March 2018 £	Repayments by director £	At 28 February 2019 £
2019			
S J Reynolds			
Amounts owed to company	23	(23)	-
J B Reynolds			
Amounts owed to company	24	(24)	-

	At 1 March 2017 £	Advances to directors £	Repayments by director £	At 28 February 2018 £
2018				
S J Reynolds				
Amounts owed to company	24	-	(1)	23
J B Reynolds				
Amounts owed to company	(74)	98	-	24

Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	186,250	187,308

