

**CHARLES REID LTD.
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022
PAGES FOR FILING WITH THE REGISTRAR**

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FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

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**CHARLES REID LTD.
BALANCE SHEET
AS AT 31 MAY 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	3	7,040	8,800
Tangible assets	4	197,759	230,670
		204,799	239,470
Current assets			
Stocks		378,003	404,635
Debtors	5	180,622	80,674
Cash at bank and in hand		2,923	79,478
		561,548	564,787
Creditors			
Amounts falling due within one year	6	(608,308)	(590,584)
		(46,760)	(25,797)
Total assets less current liabilities		158,039	213,673
Creditors			
Amounts falling due after more than one year	7	(79,007)	(147,344)
Provision for liabilities	8	(49,440)	(43,787)
		29,592	22,542
Net assets		29,592	22,542
Capital and reserves			
Called-up share capital	9	100	100
Profit and loss account		29,492	22,442
Total shareholders' funds		29,592	22,542

CHARLES REID LTD.
BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2022

For the financial year ending 31 May 2022 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 financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Statement of Income and Retained Earnings has not been delivered.

The financial statements of Charles Reid Ltd. (registered number: SC298317) were approved and authorised for issue by the Director on 12 October 2022. They were signed on its behalf by:

Charles Reid
Director

CHARLES REID LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Charles Reid Ltd. (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Stonehouse Smiddy, Gight, Methlick, Ellon, AB41 7HY, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

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

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 Balance Sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. 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.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

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

Employee benefits

Short term benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CHARLES REID LTD.
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Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Goodwill	20 years straight line
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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.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Plant and machinery etc.	20 % reducing balance
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and Retained Earnings as described below.

Non-financial assets

At each balance sheet date, the company reviews 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).

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NOTES TO THE FINANCIAL STATEMENTS
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Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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 assets

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and finance leases, 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.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

A grant that specifies performance conditions is recognised in income only when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the grant proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	10	10

3. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 01 June 2021	35,200	35,200
At 31 May 2022	35,200	35,200
Accumulated amortisation		
At 01 June 2021	26,400	26,400
Charge for the financial year	1,760	1,760
At 31 May 2022	28,160	28,160
Net book value		
At 31 May 2022	7,040	7,040
At 31 May 2021	8,800	8,800

4. Tangible assets

	Plant and machinery etc.	Total
	£	£
Cost		
At 01 June 2021	775,623	775,623
Additions	18,824	18,824
Disposals	(19,528)	(19,528)
At 31 May 2022	774,919	774,919
Accumulated depreciation		
At 01 June 2021	544,953	544,953
Charge for the financial year	49,039	49,039
Disposals	(16,832)	(16,832)
At 31 May 2022	577,160	577,160
Net book value		
At 31 May 2022	197,759	197,759
At 31 May 2021	230,670	230,670

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NOTES TO THE FINANCIAL STATEMENTS
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5. Debtors

	2022	2021
	£	£
Trade debtors	158,553	68,772
Corporation tax	0	11,613
Other debtors	22,069	289
	180,622	80,674

6. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	33,333	27,257
Trade creditors	236,875	256,864
Corporation tax	19,386	21,910
Other taxation and social security	12,844	21,225
Obligations under finance leases and hire purchase contracts	29,545	54,728
Other creditors	276,325	208,600
	608,308	590,584

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

The bank loan is secured under the Enterprise Finance Guarantee.

7. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	66,667	106,643
Obligations under finance leases and hire purchase contracts	12,340	40,701
	79,007	147,344

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

The bank loan is secured under the Enterprise Finance Guarantee.

8. Provision for liabilities

	2022	2021
	£	£
Deferred tax	49,440	43,787

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9. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully-paid		
100 Ordinary shares of £ 1.00 each	100	100

10. Related party transactions

Other related party transactions

	2022	2021
	£	£
Amounts due to key management personnel	180,957	185,581

The above balance has no fixed repayment terms and no interest is charged.

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.