

Registered number 226982

## A. ELDER REED AND CO. LIMITED

### ABBREVIATED ACCOUNTS

for the year ended 31 December 2012

TUESDAY



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30/07/2013

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COMPANIES HOUSE

**A. ELDER REED AND CO. LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO A. ELDER REED AND CO. LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of A Elder Reed And Co Limited for the year ended 31 December 2012 prepared under section 396 of the Companies Act 2006

This report is made solely to the Company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the opinions we have formed.

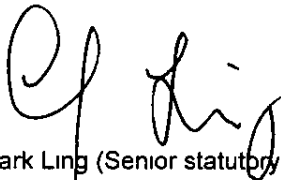
**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The Directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 6 have been properly prepared in accordance with the regulations made under that section.



Mark Ling (Senior statutory auditor)

for and on behalf of  
**PKF Littlejohn LLP**

Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London

E14 4HD

Date

25 July 2013

**A. ELDER REED AND CO. LIMITED**  
Registered number: 226982

**ABBREVIATED BALANCE SHEET**  
as at 31 December 2012

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	2	144,252	192,689
Investments	3	1,000	1,000
		<u>145,252</u>	<u>193,689</u>
<b>CURRENT ASSETS</b>			
Stocks		115,026	104,968
Debtors		261,897	260,909
Cash at bank and in hand		164,310	22,087
		<u>541,233</u>	<u>387,964</u>
<b>CREDITORS</b> amounts falling due within one year		<u>(536,896)</u>	<u>(473,466)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>4,337</u>	<u>(85,502)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>149,589</u>	<u>108,187</u>
<b>CREDITORS</b> amounts falling due after more than one year	4	<u>(239,523)</u>	<u>(319,738)</u>
<b>NET LIABILITIES</b>		<u><u>(89,934)</u></u>	<u><u>(211,551)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	227,839	227,839
Share premium account		108	108
Capital redemption reserve		11,063	11,063
Other reserves		90,000	90,000
Profit and loss account		<u>(418,944)</u>	<u>(540,561)</u>
<b>SHAREHOLDERS' DEFICIT</b>		<u><u>(89,934)</u></u>	<u><u>(211,551)</u></u>

The abbreviated accounts, which 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, were approved and authorised for issue by the board and were signed on its behalf on

25 JULY 2013



**J L Reed**  
Director

The notes on pages 3 to 6 form part of these financial statements

## **A ELDER REED AND CO. LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2012**

#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **1.2 TURNOVER**

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

##### **1.3 INVESTMENTS**

Investments held as fixed assets are shown at cost less provision for impairment

##### **1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold improvements	-	20% straight line
Motor vehicles	-	33% straight line
Fixtures & fittings	-	10-20% straight line

##### **1.5 LEASING AND HIRE PURCHASE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.6 OPERATING LEASES**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### **1.7 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

## **A. ELDER REED AND CO LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2012**

#### **1. ACCOUNTING POLICIES (continued)**

##### **1.8 DEFERRED TAXATION**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### **1.9 FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the average rate for the month in which the transaction occurred

Exchange gains and losses are recognised in the Profit and loss account

##### **1.10 PENSIONS**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year

##### **1.11 GOING CONCERN**

In considering the Company's ability to continue operations for the foreseeable future, The Directors have reviewed the forecasts and cash flow projections of the Company for 2013 and 2014 and acknowledge it will be a difficult year in light of the current economic climate and it is probable that sales will reduce next year. They have considered the impact of lower sales and the repayment of the bank loan whilst preparing their projections and have implemented further reductions in the level of expenditure and are confident that the Company will be able to make the necessary repayments towards the bank loans whilst operating within its agreed overdraft facility. The Company continues to have a strong relationship with their bank who have indicated that they will continue to support the business and thus the Directors are not aware of any reason why the overdraft facility might be withdrawn. The Directors are confident that they will be able to meet obligations as they fall due. As a result the Directors continue to adopt the going concern basis of accounting.

## A. ELDER REED AND CO. LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2012

#### 2. TANGIBLE FIXED ASSETS

	£
<b>COST</b>	
At 1 January 2012	435,304
Additions	1,000
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At 31 December 2012	436,304
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<b>DEPRECIATION</b>	
At 1 January 2012	242,615
Charge for the year	49,437
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At 31 December 2012	292,052
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<b>NET BOOK VALUE</b>	
At 31 December 2012	144,252
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At 31 December 2011	192,689
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#### 3. FIXED ASSET INVESTMENTS

	£
<b>COST OR VALUATION</b>	
At 1 January 2012 and 31 December 2012	1,000
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2012	1,000
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At 31 December 2011	1,000
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#### SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company

The aggregate shareholders funds of the above Company was £1,000 at 31 December 2012 (2011 - £1,000) Under the provision of Section 402 of The Companies Act 2006, the Company is exempt from preparing consolidated financial statements, therefore the financial statements show information about the Company as an individual entity

#### 4. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The pension fund loan is due to the Company's self administered pension scheme The pension fund loan is secured by way of a floating charge over the assets of the Company Interest payable is at 3% above LIBOR The latest redemption date for the loan is 29 March 2011

The debentures were issued at a nominal value of £250,000 The debentures are secured by way of a legal mortgage and fixed and floating charge over all the assets of the Company Interest is payable monthly at 3.5% above the LIBOR

**A. ELDER REED AND CO. LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
for the year ended 31 December 2012**

**5. SHARE CAPITAL**

	2012 £	2011 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
227,839 Ordinary shares of £1 each	<u>227,839</u>	<u>227,839</u>

**6. DIRECTORS' BENEFITS, ADVANCES, CREDIT AND GUARANTEES**

All transactions with related parties were conducted on an arm's length basis and are not material to the Company nor the related party

Included in creditors due after one year (Note 10) are debentures totalling £147,287 (2011 - £147,287). The debentures are secured by way of legal mortgage and fixed and floating charge over all assets of the Company. Interest is payable at the rate of 3.5% per annum above the base rate of National Westminster Bank Plc. During 2009 a clause enacted when a bank loan (as disclosed in Note 10) was taken out by the Company resulted in the debentures not being repayable until after the bank loan is repaid, which is after 5 years. The debentures are held by J L Reed and N E M Brimacombe who are Directors of the Company.

During 2008 a bank loan totalling £219,000 was taken out by the Company. As disclosed in Note 10, the bank loan, which is secured by way of legal mortgage and fixed and floating charge over all assets of the Company, also includes a personal guarantee of £54,750 given by two directors of the Company.