

Registered number: 00226982

## A. ELDER REED AND CO. LIMITED

### ABBREVIATED ACCOUNTS

for the year ended 31 December 2014

TUESDAY



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**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 2014 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: 11 September 2015

**A. ELDER REED AND CO. LIMITED**  
**Registered number: 00226982**

**ABBREVIATED BALANCE SHEET**  
**as at 31 December 2014**

	Note	£	2014	£	£	2013	£
<b>FIXED ASSETS</b>							
Tangible assets	2			105,401			137,606
Investments	3			1,000			1,000
				<u>106,401</u>			<u>138,606</u>
<b>CURRENT ASSETS</b>							
Stocks		128,490			124,787		
Debtors		187,143			261,826		
Cash at bank and in hand		255,112			161,846		
		<u>570,745</u>			<u>548,459</u>		
<b>CREDITORS: amounts falling due within one year</b>				<u>(467,881)</u>			<u>(538,941)</u>
<b>NET CURRENT ASSETS</b>				<u>102,864</u>			<u>9,518</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<u>209,265</u>			<u>148,124</u>
<b>CREDITORS: amounts falling due after more than one year</b>	4			<u>(152,433)</u>			<u>(193,435)</u>
<b>NET ASSETS/(LIABILITIES)</b>				<u>56,832</u>			<u>(45,311)</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>(272,178)</u>			<u>(374,321)</u>
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>				<u>56,832</u>			<u>(45,311)</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 11 September 2015



**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 2014**

#### **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
Other fixed assets	-	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 2014**

#### **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 the period to December 2016. The Directors acknowledge that the economic climate continues to be tough in the UK but believe that the Company's sales are likely to remain at similar levels, or possibly lower, for the next couple of years. They have considered the impact of no increase in sales/lower sales and costs associated with a possible move to a new premises at the end of their lease term in their projections and also identified further cost reductions to ensure the Company is able to meet its obligations as they fall due whilst operating within its agreed overdraft facility. In addition, the Company's bank loans are due to be repaid in full within the next few months which should improve the cash flow position. The Company trade since the year end have been fairly positive to date and the results are in line with forecasts. The Company continues to have a strong relationship with its bankers and following their recent annual review, their bankers 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 have also confirmed that they will not seek repayment of the Debenture Loans until such a time when the Company has sufficient funds to do so without impacting the Company's ability to pay its debts as they fall due. As a result these Debenture loans, continue to be treated as a long term creditor. 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 2014

#### 2. TANGIBLE FIXED ASSETS

	£
<b>COST</b>	
At 1 January 2014	426,938
Additions	825
Disposals	(15,304)
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At 31 December 2014	412,459
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<b>DEPRECIATION</b>	
At 1 January 2014	289,332
Charge for the year	33,630
On disposals	(15,904)
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At 31 December 2014	307,058
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<b>NET BOOK VALUE</b>	
At 31 December 2014	105,401
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At 31 December 2013	137,606
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#### 3. FIXED ASSET INVESTMENTS

	£
<b>COST OR VALUATION</b>	
At 1 January 2014 and 31 December 2014	1,000
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<b>NET BOOK VALUE</b>	
At 31 December 2014	1,000
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At 31 December 2013	1,000
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#### SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Holding
Reed Harris Limited	100%

The aggregate shareholders funds of the above Company was £1,000 at 31 December 2014 (2013 - £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

## A. ELDER REED AND CO. LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2014

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.

#### 5. SHARE CAPITAL

	2014 £	2013 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
188,297 Ordinary shares of £1.21 each	<b>227,839</b>	<b>227,839</b>

#### 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 (2012- £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 due to occur in less than one year. 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.