

**Registered No: 1437656**

**R&A MERCHANDISING LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2020**



**R&A Merchandising Limited    Registered No: 1437656**

The directors submit their Directors' report and financial statement for the year ended 31 December 2020.

**DIRECTORS' REPORT**

**Results**

The loss for the year after taxation amounted to £704 (2019 – loss of £921).

**Review of the business**

The Company's principal activity comprises income arising from the ownership of archive film. No trading was undertaken during the year.

**Directors' qualifying third party indemnity provisions**

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report. Directors' and Officers' liability insurance is maintained by the company for all directors and officers of the company.

**Directors and their interests**

The directors of the company during the year were:-

I R H Pattinson  
D C Meacher  
J F Murray

None of the directors during the year held a beneficial interest in the issued share capital of the company.

**Directors' statement as to disclosure of information to auditors**

The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

**DIRECTORS' REPORT (continued)**

**Going Concern**

The directors have reviewed the future cash flows of the company and have a reasonable expectation that the company has adequate financial resources to continue to operate to 31 December 2022. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Auditors**

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

**Small companies exemptions**

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the board

A handwritten signature in black ink, appearing to be 'J F Murray', written over a horizontal line.

J F Murray CA  
Secretary  
4 May 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the annual report and financial statements in accordance with applicable laws and regulations (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R&A MERCHANDISING LIMITED**

### **Opinion**

We have audited the financial statements of R&A Merchandising Limited for the year ended 31 December 2020 which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes 1 to 6, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance in with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report set out on pages 2-3, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R&A MERCHANDISING LIMITED (continued)**

### **Other information (continued)**

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R&A MERCHANDISING LIMITED (continued)**

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK and Ireland.
- We understood how R&A Merchandising Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquires through our review of the board minutes and papers provided to the Finance Committee, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings. Where this risk was considered higher, we performed audit procedures to address the risk of fraud and management override. These procedures included testing manual journals which were designed to provide reasonable assurance that the financial statements were free from fraud or error;
- Based on this understanding we designed our audit procedures to identify non compliance with such laws and regulations. Our procedures involved enquiries of management, those charged with governance and those responsible for legal and compliance procedures; journal entry testing with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business and a review of Finance Committee minutes to identify any non compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Sue Dawe*

Sue Dawe (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh  
7 May 2021

**R&A Merchandising Limited**

**STATEMENT OF INCOME AND RETAINED EARNINGS**

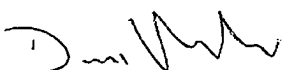
**For the year ended 31 December 2020**

|                                             | NOTES | 2020<br>£      | 2019<br>£      |
|---------------------------------------------|-------|----------------|----------------|
| Administrative expenses                     |       | <u>(721)</u>   | <u>(960)</u>   |
| Operating loss                              | 3     | (721)          | (960)          |
| Interest receivable                         |       | 17             | 39             |
| Loss on ordinary activities before taxation |       | <u>(704)</u>   | <u>(921)</u>   |
| Taxation on loss on ordinary activities     | 4     | <u>-</u>       | <u>-</u>       |
| Loss for the financial year                 |       | (704)          | (921)          |
| Retained earnings at start of the year      |       | <u>118,660</u> | <u>119,581</u> |
| Retained earnings at the end of the year    |       | <u>117,956</u> | <u>118,660</u> |

**R&A Merchandising Limited**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2020**

|                                                       | NOTES | 2020<br>£      | 2019<br>£      |
|-------------------------------------------------------|-------|----------------|----------------|
| <b>FIXED ASSETS</b>                                   |       |                |                |
| Tangible Fixed Asset                                  | 5     | <u>100,000</u> | <u>100,000</u> |
| <b>CURRENT ASSETS</b>                                 |       |                |                |
| Cash at Bank                                          |       | <u>18,656</u>  | <u>19,690</u>  |
|                                                       |       | 18,656         | 19,690         |
| <b>CREDITORS: Amounts falling due within one year</b> |       |                |                |
| Trade Creditors and Accruals                          |       | <u>(600)</u>   | <u>(930)</u>   |
|                                                       |       | (600)          | (930)          |
| <b>Net Current Assets</b>                             |       | <u>18,056</u>  | <u>18,760</u>  |
| <b>Total Assets</b>                                   |       | <u>118,056</u> | <u>118,760</u> |
| <b>Represented by:</b>                                |       |                |                |
| <b>CAPITAL AND RESERVES</b>                           |       |                |                |
| Called Up Share Capital                               | 6     | 100            | 100            |
| Profit & Loss Account                                 |       | <u>117,956</u> | <u>118,660</u> |
|                                                       |       | 118,056        | 118,760        |

The financial statements have been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

  
D C Meacher

Director

  
J F Murray

Director

4 May 2021

Company Registration Number: 1437656

# **R&A Merchandising Limited**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

#### **Statement of compliance**

R&A Merchandising Limited is a limited liability company registered in England.

The company's financial statements have been prepared in accordance with FRS 102 as it applies to financial statements of the company for the year ended 31 December 2020.

The Company has taken advantage of the exemption allowed by FRS 102 for small companies from preparing a Statement of Cash Flows.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards.

These financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements of R&A Merchandising Limited were approved by the Board of Directors on 4 May 2021.

The directors have reviewed the future cash flows of the company and have a reasonable expectation that the company has adequate financial resources to continue to operate to 31 December 2022. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Consolidated Accounts**

As the Company and its subsidiary are both small companies, advantage has been taken of the exemption allowed by Section 398 of the Companies Act 2006 from preparing consolidated accounts.

#### **Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of conversion to sterling.

All differences are taken to the income statement.

#### **Fixed Assets**

Fixed assets are carried at cost less impairment.

### **2. TURNOVER**

Turnover comprises the invoice value of sales by the company.

### **3. OPERATING LOSS**

|                                          |             |             |
|------------------------------------------|-------------|-------------|
| Operating loss is stated after charging: | <b>2020</b> | <b>2019</b> |
|                                          | <b>£</b>    | <b>£</b>    |
| Auditors' remuneration                   | 600         | 930         |

# R&A Merchandising Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. TAX ON LOSS ON ORDINARY ACTIVITIES

|                                                          | 2020<br>£  | 2019<br>£  |
|----------------------------------------------------------|------------|------------|
| a) The charge based on the loss for the year comprises:- |            |            |
| UK Corporation tax                                       | <u>Nil</u> | <u>Nil</u> |

#### b) Factors affecting the tax charge for the year:-

The tax assessed on the loss on ordinary activities for the year is higher (2019 - higher) than the standard rate of corporation tax in the UK. The differences are explained below:

|                                                                                                          | 2020<br>£    | 2019<br>£    |
|----------------------------------------------------------------------------------------------------------|--------------|--------------|
| Loss on ordinary activities before tax                                                                   | <u>(704)</u> | <u>(921)</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%) | (134)        | (175)        |
| Effect of:                                                                                               |              |              |
| Unrelieved tax losses carried forward                                                                    | 134          | 175          |
| Current tax charge for the period                                                                        | <u>-</u>     | <u>-</u>     |

### 5. TANGIBLE FIXED ASSET

|                        | 2020<br>£      | 2019<br>£      |
|------------------------|----------------|----------------|
| Archive Film:          |                |                |
| Balance at 1 January   | 100,000        | 100,000        |
| Impairment             | <u>-</u>       | <u>-</u>       |
| Balance at 31 December | <u>100,000</u> | <u>100,000</u> |

### 6. SHARE CAPITAL

|                                                                                  | 2020<br>£  | 2019<br>£  |
|----------------------------------------------------------------------------------|------------|------------|
| Authorised, allotted, called up and fully paid<br>100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

The whole of the issued share capital of the Company is owned by The Royal and Ancient Golf Club of St. Andrews.