

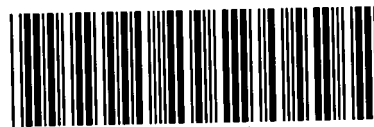
# REEL (UK) Limited

Registered number: 03355913

## Annual report

For the year ended 31 December 2018

THURSDAY



\*A8ETKCUZ\*

A24

26/09/2019

#92

COMPANIES HOUSE

---

**REEL (UK) LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	R Leraistre J Rigollot J L Duconseil
<b>Company secretary</b>	Cripps Secretaries Limited
<b>Registered number</b>	03355913
<b>Registered office</b>	Platts Road Amblecote Stourbridge DY8 4YR
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor Times House Throwley Way Sutton Surrey SM1 4JQ

---

**REEL (UK) LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Independent auditor's report</b>	<b>3 - 5</b>
<b>Statement of income and retained earnings</b>	<b>6</b>
<b>Statement of financial position</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 19</b>

---

**REEL (UK) LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

The directors present their report and the audited financial statements for the year ended 31 December 2018.

**Principal activity**

The principal activity of the company during the year was the manufacturing, installation and maintenance of heavy lifting and industrial equipment.

**Results and dividends**

The loss for the year, after taxation, amounted to £100,313 (2017 - loss of £92,984).

**Directors**

The directors who served during the year and to the date of this report were:

R Leraistre  
J Rigollot  
J L Duconseil (appointed 1 January 2018)

**Directors' responsibilities statement**

The directors are responsible for preparing the directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited financial statements unless they are satisfied that they 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 these audited financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the audited 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.

---

**REEL (UK) LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**Going concern**

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**Future developments**

Due to the invocation of Article 50 of the Treaty on European Union by the United Kingdom, it is expected that the country may resign its position within the European Union during 2019. The terms of the future relationship between the UK and the EU are still unknown, at the date of this report it is impossible to assess in detail the opportunities and threats that such a resignation could present. The directors are managing these risk by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any new rules or regulations, and to maintain its standing and reputation in the marketplace both locally and, where appropriate, throughout Europe and worldwide.

**Provision of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

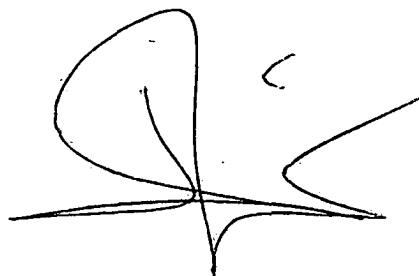
**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

J Rigollot  
Director

Date: 06/08/2019



---

**REEL (UK) LIMITED**

---

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REEL (UK) LIMITED**

---

**Opinion**

We have audited the financial statements of REEL (UK) Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, the statement of financial position, and notes to the financial statements, 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 Section 1A "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 state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance 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.

**The impact of uncertainties due to Britain exiting the European Union on our audit**

The Directors' view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the company and this is particularly the case in relation to Brexit.

---

**REEL (UK) LIMITED**

---

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REEL (UK) LIMITED**

---

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

---

**REEL (UK) LIMITED**

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REEL (UK) LIMITED**

---

**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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 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.

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

**Use of the audit 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.

Elisabeth Maxwell

Elisabeth Maxwell (Sep 26, 2019)

Elisabeth Maxwell (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Times House  
Throwley Way  
Sutton  
SM1 4JQ

Date: Sep 26, 2019



---

REEL (UK) LIMITED  
REGISTERED NUMBER: 03355913

---

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018

---

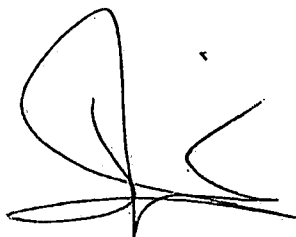
	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	6	-	113,659
Tangible assets	7	22,059	3,533
		<u>22,059</u>	<u>117,192</u>
<b>Current assets</b>			
Stocks	8	115,677	137,323
Debtors: amounts falling due within one year	9	1,440,291	989,930
Cash at bank and in hand	10	113,584	322,191
		<u>1,669,552</u>	<u>1,449,444</u>
Creditors: amounts falling due within one year	11	(916,865)	(689,908)
<b>Net current assets</b>		<u>752,687</u>	<u>759,536</u>
<b>Total assets less current liabilities</b>		<u>774,746</u>	<u>876,728</u>
<b>Provisions for liabilities</b>			
Other provisions	12	(11,995)	(13,664)
		<u>(11,995)</u>	<u>(13,664)</u>
<b>Net assets</b>		<u><u>762,751</u></u>	<u><u>863,064</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,800,000	1,800,000
Profit and loss account		(1,037,249)	(936,936)
<b>Total equity</b>		<u><u>762,751</u></u>	<u><u>863,064</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Rigollot  
Director

Date:  
06/08/2019



---

**REEL (UK) LIMITED**

---

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

	Note	2018 £	2017 £
Turnover		3,533,155	2,268,021
Cost of sales		(2,914,945)	(1,682,852)
<b>Gross profit</b>		<u>618,210</u>	<u>585,169</u>
Administrative expenses		(717,368)	(677,644)
<b>Operating loss</b>		<u>(99,158)</u>	<u>(92,475)</u>
Interest payable and expenses		(1,155)	(509)
<b>Loss before tax</b>		<u>(100,313)</u>	<u>(92,984)</u>
Tax on loss	5	-	-
<b>Loss after tax</b>		<u>(100,313)</u>	<u>(92,984)</u>
Retained earnings at the beginning of the year		(936,936)	(843,952)
		<u>(936,936)</u>	<u>(843,952)</u>
Loss for the year		(100,313)	(92,984)
<b>Retained earnings at the end of the year</b>		<u>(1,037,249)</u>	<u>(936,936)</u>

The Statement of Income and Retained Earnings has been prepared on the basis that all operations are continuing operations.

The notes on pages 8 to 19 form part of these financial statements.

---

**REEL (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**1. General information**

Reel (UK) Limited ('the company') is a private company limited by shares, incorporated in England and Wales. The address of its registered office is Platts Road, Amblecote, Stourbridge, DY8 4YR, United Kingdom.

The principal activity of the company during the year was the manufacturing, installation and maintenance of heavy lifting and industrial equipment.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

---

**REEL (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**2. Accounting policies (continued)****2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Goodwill is amortised over its estimated useful life of five years, as this is the period management expects to benefit from assets previously acquired in a business combination.

---

**REEL (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**2. Accounting policies (continued)****2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following bases:

Depreciation is provided on the following basis:

Plant and machinery	-	25% straight line
Office equipment	-	15% reducing balance
Computer equipment	-	33% straight line
Leasehold improvements	-	50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.8 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

---

**REEL (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**2. Accounting policies (continued)****2.8 Financial instruments (continued)**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

---

**REEL (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**2. Accounting policies (continued)**

**2.9 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of income and retained earnings within 'administrative expenses'.

**2.10 Finance costs**

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Operating leases**

Rentals paid under operating leases are charged to the statement of income and retained earnings 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

---

**REEL (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**2. Accounting policies (continued)**

**2.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

**2.13 Taxation**

Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

**2.1 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*(i) Recoverability of debtors*

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

*(ii) Revenue recognition - stage of completion*

The stage of completion of long-term contracts is determined with reference to cumulative costs incurred, and the total estimated costs to complete a project. Costs to complete are estimated with reference to past experience in similar projects and project specifics.

**4. Employees**

The average monthly number of employees, including directors, during the year was 24 (2017 - 18).

---

**REEL (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**5. Taxation**

	2018 £	2017 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>

**Factors affecting tax charge for the year**

The company has tax losses of £1,683,326 available to offset against future taxable income (2017: £1,583,013) and as such no tax charge has arisen in the period.

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted in September 2017.

**6. Intangible assets**

	Goodwill £
<b>Cost</b>	
At 1 January 2018	636,280
At 31 December 2018	<u>636,280</u>
<b>Amortisation</b>	
At 1 January 2018	522,621
Charge for the year	113,659
At 31 December 2018	<u>636,280</u>
<b>Net book value</b>	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>113,659</u>

---

**REEL (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**7. Tangible fixed assets**

	Leasehold improvements £	Plant and machinery £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2018	27,293	16,255	66,024	109,572
Additions	-	8,193	-	8,193
At 31 December 2018	27,293	24,448	66,024	117,765
<b>Depreciation</b>				
At 1 January 2018	27,293	11,169	67,577	106,039
Charge for the year	-	1,613	1,843	3,456
Reversal of overdepreciation in prior period	-	-	(13,789)	(13,789)
At 31 December 2018	27,293	12,782	55,631	95,706
<b>Net book value</b>				
At 31 December 2018	-	11,666	10,393	22,059
At 31 December 2017	-	5,086	(1,553)	3,533

Adjustment for prior year

Following review of the useful lives and residual values of fixed assets, the directors identified that office equipment had been depreciated in excess of the residual values of these assets in the year ended 31 December 2017. A correction has been recorded in the current period.

**8. Stocks**

	2018 £	2017 £
Raw materials	115,677	137,323

---

**REEL (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**9. Debtors**

	2018 £	2017 £
Trade debtors	1,128,595	504,250
Amounts owed by group undertakings	157,295	117,039
Other debtors	27,075	26,675
Prepayments and accrued income	127,326	341,966
	<u>1,440,291</u>	<u>989,930</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**10. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	113,584	322,191
Less: bank overdrafts	-	(2,659)
	<u>-</u>	<u>(2,659)</u>

**11. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank overdrafts	-	2,659
Trade creditors	119,937	149,401
Amounts owed to group undertakings	397,781	217,489
Other taxation and social security	109,416	162,222
Other creditors	20,941	12,912
Accruals and deferred income	268,790	145,225
	<u>916,865</u>	<u>689,908</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

---

**REEL (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**12. Provisions**

	Other provision £
At 1 January 2018	13,664
Utilised in year	(1,669)
<b>At 31 December 2018</b>	<b>11,995</b>

The provision above is in relation to onerous contracts, which have been completed and settled in the current period.

**13. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £47,755 (2017: £34,906). As at the reporting date, no amounts are due to the fund.

**14. Commitments under operating leases**

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	95,537	95,537
Later than 1 year and not later than 5 years	137,805	233,342
	<u>233,342</u>	<u>328,879</u>

**15. Related party transactions**

The company is a wholly owned subsidiary of Reel SAS, and as such has taken advantage of the exemption permitted by section 33 Related Party Disclosure, not to provide disclosures of transaction entered into with other wholly owned members of the group.

At year end, the company had amounts due to its parent company as follows:

	2018 £	2017 £
REEL SAS	(240,486)	(78,037)

---

**REEL (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**16. Post balance sheet events**

There have been no significant events affecting the company since the year end.

**17. Controlling party**

REEL SAS is the immediate parent company incorporated in France. The ultimate controlling party is Groupe REEL SAS which is incorporated in France.

The smallest group in which the financial statements of Reel (UK) Limited are consolidated is that headed by Groupe REEL SAS. Copies of the financial statements of Groupe REEL SAS, 69 Rue De La Chaux, 69450, St-Cyr-Ayr-Mont-D'or France.