

**Rea Farms Ltd**

**Abbreviated Unaudited Financial  
Statements**

**For the year ended**

**31st January 2016**

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# **Rea Farms Ltd**

## **Abbreviated Financial Statements**

**Year ended 31st January 2016**

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## Rea Farms Ltd

## Abbreviated Balance Sheet

31st January 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	3	166,643	189,363
<b>Current assets</b>			
Stocks		130,039	135,873
Debtors		<u>13,607</u>	<u>14,925</u>
		143,646	150,798
<b>Creditors: amounts falling due within one year</b>	4	<u>(436,487)</u>	<u>(393,547)</u>
<b>Net current liabilities</b>		<u>(292,841)</u>	<u>(242,749)</u>
<b>Total assets less current liabilities</b>		<u>(126,198)</u>	<u>(53,386)</u>
<b>Creditors: amounts falling due after more than one year</b>	5	(67,918)	(73,911)
<b>Provisions</b>		—	(14,255)
<b>Net liabilities</b>		<u>(194,116)</u>	<u>(141,552)</u>

**Rea Farms Ltd****Abbreviated Balance Sheet** *(continued)***31st January 2016**

	Note	2016 £	2015 £
<b>Capital and reserves</b>			
Called up share capital	6	100	100
Profit and loss account		<u>(194,216)</u>	<u>(141,652)</u>
<b>Shareholders deficit</b>		<u><b>(194,116)</b></u>	<u><b>(141,552)</b></u>

For the year ending 31st January 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The shareholders have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These abbreviated financial statements were approved by the board of directors and authorised for issue on 27 Oct 2016, and are signed on behalf of the board by:

Mr R Rea  
Director



Company registration number: NI044985

# Rea Farms Ltd

## Notes to the Abbreviated Financial Statements

Year ended 31st January 2016

### 1. Accounting policies

#### Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £1.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st February 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 22 in the notes to the full financial statements.

#### Going concern

The financial statements have been prepared on a going concern basis on the assumption that the directors and the company's bank will be able to continue to provide the required level of financial support to enable the company to continue trading.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Those that have had the most significant effect on the amounts recognised in the financial statements and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- (i) valuation of livestock and deadstock
- (ii) stock provision
- (iii) depreciation method and useful lives of assets

#### Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### Taxation

Corporation tax is recognised on taxable profit for the current and past periods. Corporation tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

# Rea Farms Ltd

## Notes to the Abbreviated Financial Statements *(continued)*

### Year ended 31st January 2016

#### 1. Accounting policies *(continued)*

##### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

- 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- 10% straight line
- 25% straight line

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

##### Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

# Rea Farms Ltd

## Notes to the Abbreviated Financial Statements *(continued)*

### Year ended 31st January 2016

#### 1. Accounting policies *(continued)*

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument, except for where the time value of money is considered to be immaterial.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### 2. Intangible assets

	£
<b>Cost</b>	
At 1st February 2015 and 31st January 2016	<u>137,124</u>
<b>Amortisation</b>	
At 1st February 2015 and 31st January 2016	<u>137,124</u>
<b>Carrying amount</b>	
At 31st January 2016	<u>-</u>

#### 3. Tangible assets

	£
<b>Cost</b>	
At 1st February 2015	419,402
Additions	11,578
Disposals	(8,750)
<b>At 31st January 2016</b>	<u>422,230</u>
<b>Depreciation</b>	
At 1st February 2015	230,039
Charge for the year	34,298
Disposals	(8,750)
<b>At 31st January 2016</b>	<u>255,587</u>
<b>Carrying amount</b>	
At 31st January 2016	<u>166,643</u>
At 31st January 2015	<u>189,363</u>

# Rea Farms Ltd

## Notes to the Abbreviated Financial Statements *(continued)*

### Year ended 31st January 2016

#### 4. Creditors: amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2016	2015
	£	£
Bank loans and overdrafts	<u>75,881</u>	<u>54,825</u>

#### 5. Creditors: amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2016	2015
	£	£
Bank loans and overdrafts	<u>33,121</u>	<u>40,140</u>

Bank loans and overdrafts are secured by a letter of guarantee from the company directors.

Included within creditors: amounts falling due after more than one year is an amount of £5,044 (2015: £12,062) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

#### 6. Called up share capital

##### Authorised share capital

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

##### Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 7. Directors' advances, credits and guarantees

Bank loans and overdrafts are secured by a letter of guarantee from the company directors.

#### 8. Going concern

At the balance sheet date, the company's total indebtedness to its bankers was £109,002 and it had net current liabilities of £313,191 and net liabilities of £194,116. The company reported a loss before taxation of £66,819 for the year. The directors are confident that the bank and themselves will continue to provide the required level of funding to enable the company to continue as a going concern. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

#### 9. Company information

Rea Farms Limited is a company incorporated in Northern Ireland. It has its registered office at c/o Jackson Andrews, Andras House, 60 Great Victoria Street, Belfast, Co. Antrim, BT2 7ET. The company's registration number is NI044985.

The principal activity of the company during the year was farming.