

Reefsouth Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2018

Chisnall Comer Ismail & Co
Chartered Accountants
Maria House
35 Millers Road
Brighton
BN1 5NP

Reefsouth Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Financial Statements	<u>4</u> to <u>10</u>

Reefsouth Limited

Company Information

Director	Mr C Weatherstone
Registered office	1 English Business Park English Close Hove East Sussex BN3 7ET
Accountants	Chisnall Comer Ismail & Co Chartered Accountants Maria House 35 Millers Road Brighton BN1 5NP

Reefsouth Limited

(Registration number: 02845584)
Balance Sheet as at 31 July 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	<u>4</u>	3,080	3,080
Tangible assets	<u>5</u>	312	1,336
Investment property	<u>6</u>	1,850,000	1,830,000
Other financial assets	<u>7</u>	50,001	50,001
		<u>1,903,393</u>	<u>1,884,417</u>
Current assets			
Stocks	<u>8</u>	1,960,895	1,957,895
Debtors	<u>9</u>	2,277,511	2,443,698
Cash at bank and in hand		15,863	10,011
		<u>4,254,269</u>	<u>4,411,604</u>
Creditors: Amounts falling due within one year	<u>11</u>	<u>(324,518)</u>	<u>(488,685)</u>
Net current assets		<u>3,929,751</u>	<u>3,922,919</u>
Total assets less current liabilities		5,833,144	5,807,336
Creditors: Amounts falling due after more than one year	<u>11</u>	<u>(3,926,970)</u>	<u>(3,986,970)</u>
Provisions for liabilities		<u>(12,779)</u>	<u>-</u>
Net assets		<u>1,893,395</u>	<u>1,820,366</u>
Capital and reserves			
Called up share capital	<u>10</u>	2	2
Other reserves		475,725	473,201
Profit and loss account		<u>1,417,668</u>	<u>1,347,163</u>
Total equity		<u>1,893,395</u>	<u>1,820,366</u>

For the financial year ending 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements 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.

The notes on pages 4 to 10 form an integral part of these financial statements.

Reefsouth Limited

**(Registration number: 02845584)
Balance Sheet as at 31 July 2018**

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 19 June 2019

.....

Mr C Weatherstone

Director

The notes on pages 4 to 10 form an integral part of these financial statements.

Page 3

Reefsouth Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

1 English Business Park
English Close
Hove
East Sussex
BN3 7ET

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of development properties.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Reefsouth Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	25% reducing balance
Motor vehicles	25% reducing balance

Investment property

Investment property is carried at fair value. Gains are recognised in the profit and loss. Deferred tax is provided on these gains at the rate expected to apply when the property is sold.

Intangible assets

Intangible assets are stated at fair value, this is seen as cost by the Director as the residual value of the asset is likely to be equal to cost.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Reefsouth Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Non-distributable reserve

The aggregate fair value adjustments relating to movements in the value of the company's investment properties are transferred at the end of each period, net of deferred tax, from the profit and loss reserve to the non-distributable reserve.

On disposal of investment property the aggregate fair value adjustment is transferred back to profit and loss reserves and the deferred tax provision is transferred to current tax liabilities.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 3 (2017 - 3).

4 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
At 1 August 2017	3,080	3,080
At 31 July 2018	3,080	3,080
Amortisation		
Carrying amount		
At 31 July 2018	3,080	3,080
At 31 July 2017	3,080	3,080

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2017 - £Nil).

Reefsouth Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

5 Tangible assets

	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation			
At 1 August 2017	6,890	4,375	11,265
Disposals	(6,890)	-	(6,890)
At 31 July 2018	-	4,375	4,375
Depreciation			
At 1 August 2017	5,970	3,959	9,929
Charge for the year	-	104	104
Eliminated on disposal	(5,970)	-	(5,970)
At 31 July 2018	-	4,063	4,063
Carrying amount			
At 31 July 2018	-	312	312
At 31 July 2017	920	416	1,336

6 Investment properties

	2018 £
At 1 August	1,830,000
Fair value adjustments	20,000
At 31 July	1,850,000

7 Other financial assets (current and non-current)

	2018 £	2017 £
Non-current financial assets		
Financial assets at cost less impairment	50,001	50,001

8 Stocks

	2018 £	2017 £
Work in progress	596,863	596,863
Other inventories	1,364,032	1,361,032
	1,960,895	1,957,895

Reefsouth Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

9 Debtors

	Note	2018 £	2017 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>13</u>	1,229,348	1,241,429
Prepayments		1,075	401
Other debtors		1,047,088	1,201,868
		<u>2,277,511</u>	<u>2,443,698</u>

10 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary of £1 each	2	2	2	2

Reefsouth Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

11 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	<u>12</u>	198,030	233,479
Trade creditors		472	685
Taxation and social security		19,232	1,270
Accruals and deferred income		22,915	11,585
Other creditors		83,869	241,666
		<u>324,518</u>	<u>488,685</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	<u>12</u>	<u>3,926,970</u>	<u>3,986,970</u>

12 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	<u>3,926,970</u>	<u>3,986,970</u>

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	198,030	198,030
Bank overdrafts	-	35,449
	<u>198,030</u>	<u>233,479</u>

Reefsouth Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

13 Related party transactions

Transactions with directors

	At 1 August 2017 £	At 31 July 2018 £
2018		
Mr C Weatherstone		
Directors loan from company	(159,983)	(159,983)

Directors' remuneration

The director's remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	42,468	42,468

Summary of transactions with entities with joint control or significant interest

Stonechris Limited, a company who the Director Mr C Weatherstone is a director and shareholder.
Loan

Summary of transactions with associates

Loan
Weatherstone is a 50% shareholder of Reefsouth Limited.

Loans to related parties

	Entities with joint control or significant influence £	Associates £
2018		
At start of period	838,566	1,241,429
Advanced	(187,853)	(12,081)
At end of period	650,713	1,229,348
	Entities with joint control or significant influence £	Associates £
2017		
At start of period	986,895	1,290,114
Advanced	(148,329)	(48,685)
At end of period	838,566	1,241,429

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.