

**REACHAL LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

Reachal Ltd
Unaudited Financial Statements
For The Year Ended 31 July 2020

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Reachal Ltd
Balance Sheet
As at 31 July 2020

Registered number: 08626072

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	4		33,014		46,808
			33,014		46,808
CURRENT ASSETS					
Debtors	5	341,473		81,683	
Cash at bank and in hand		756,289		485,077	
		1,097,762		566,760	
Creditors: Amounts Falling Due Within One Year	6	(410,778)		(278,171)	
NET CURRENT ASSETS (LIABILITIES)			686,984		288,589
TOTAL ASSETS LESS CURRENT LIABILITIES			719,998		335,397
PROVISIONS FOR LIABILITIES					
Deferred Taxation			(6,273)		(8,893)
NET ASSETS			713,725		326,504
CAPITAL AND RESERVES					
Called up share capital	7		120		120
Profit and Loss Account			713,605		326,384
SHAREHOLDERS' FUNDS			713,725		326,504

Reachal Ltd
Balance Sheet (continued)
As at 31 July 2020

For the year ending 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Kevin Butterworth

Director

21/10/2020

The notes on pages 3 to 7 form part of these financial statements.

Reachal Ltd
Notes to the Financial Statements
For The Year Ended 31 July 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & Fittings	25.00% - 50.00% Reducing Balance Basis
Computer Equipment	33.33% - 50.00% Straight Line Basis

The depreciation policy on Fixtures & Fittings was changed during the year from straight line to the reducing method.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimated the recoverable amount of the cash-generating unit to which the asset belongs.

1.4. Leasing and Hire Purchase Contracts

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Reachal Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2020

1.5. Financial Instruments

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Reachal Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2020

1.6. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.7. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.8. Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.9. Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2020	2019
Office and administration	20	22
	20	22

Reachal Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2020

4. Tangible Assets

	Fixtures & Fittings	Computer Equipment	Total
	£	£	£
Cost			
As at 1 August 2019	29,572	64,780	94,352
Additions	385	15,490	15,875
As at 31 July 2020	<u>29,957</u>	<u>80,270</u>	<u>110,227</u>
Depreciation			
As at 1 August 2019	18,863	28,681	47,544
Provided during the period	10,225	19,444	29,669
As at 31 July 2020	<u>29,088</u>	<u>48,125</u>	<u>77,213</u>
Net Book Value			
As at 31 July 2020	<u>869</u>	<u>32,145</u>	<u>33,014</u>
As at 1 August 2019	<u>10,709</u>	<u>36,099</u>	<u>46,808</u>

5. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	84,694	29,613
Other debtors	138,029	52,070
Staff Loans Debtor	<u>15,750</u>	<u>-</u>
	238,473	81,683
Due after more than one year		
Amounts owed by related parties	<u>103,000</u>	<u>-</u>
	103,000	-
	<u>341,473</u>	<u>81,683</u>

Reachal Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 July 2020

6. Creditors: Amounts Falling Due Within One Year

	2020	2019
	£	£
Trade creditors	179,740	157,469
Corporation tax	72,840	21,558
Other taxes and social security	28,421	27,039
VAT	85,162	37,420
Net wages	748	-
Other creditors	13,392	-
Pensions Creditor	2,267	2,985
Accrued expenses	2,000	2,000
Amounts owed to related parties	26,208	29,700
	<u>410,778</u>	<u>278,171</u>

7. Share Capital

	2020	2019
Allotted, Called up and fully paid	120	120

8. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	2020	2019
	£	£
Between 1 and 5 years	-	45,600
	<u>-</u>	<u>45,600</u>

9. Related Party Transactions

Goods purchased from entities with control, joint control or significant influence over the company £675,176 (2019: £795,600).

The amount owed to related parties, Butterworth Projects Limited is £26,208 (2019: £29,700) and is shown within creditors. The amount owed by related parties, Athensys Limited is £103,000 (2019: £Nil), is shown within debtors and is repayable in more than one year. Both of these companies have directors who are also directors of Reachal Limited.

10. Controlling Party

The company's ultimate controlling parties are directors by virtue of their ownership of 93% of the issued share capital in the company.

11. General Information

Reachal Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 08626072 . The registered office is Units 10 and 11 Pickwick Park, Park Lane, Corsham, SN13 0HN.

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.