

REDTWO591 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

REDTWO591 LIMITED

COMPANY INFORMATION

Directors	Mrs P Dudek Mr C M Gowans
Registered number	SC648646
Registered office	3/3 Clocktower Buildings Kinloss Forres Moray IV36 3TT
Accountants	EQ Accountants LLP Chartered Accountants 14 City Quay Dundee DD1 3JA

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021 £	2020 £
Fixed assets			
Tangible assets	4	7,412	4,494
		<u>7,412</u>	<u>4,494</u>
Current assets			
Stocks		7,164	2,678
Debtors: amounts falling due within one year	5	8,190	3,684
Cash at bank and in hand		10,022	9,490
		<u>25,376</u>	<u>15,852</u>
Creditors: amounts falling due within one year	6	(22,279)	(11,207)
Net current assets		<u>3,097</u>	<u>4,645</u>
Total assets less current liabilities		<u>10,509</u>	<u>9,139</u>
Creditors: amounts falling due after more than one year	7	(20,500)	(26,000)
Provisions for liabilities			
Deferred tax		(286)	-
		<u>(286)</u>	<u>-</u>
Net liabilities		<u>(10,277)</u>	<u>(16,861)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(10,279)	(16,863)
		<u>(10,277)</u>	<u>(16,861)</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 November 2022.

Mrs P Dudek
Director

Mr C M Gowans
Director

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Redtwo591 Limited is a private company, limited by shares, incorporated in Scotland with registration number SC648646. The registered office is 3/3 Clocktower Buildings, Kinloss, Forres, Moray, Scotland, IV36 3TT.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

Accounts have been prepared on the going concern basis. The directors have confirmed that they will continue to support the company financially and believe that, due to this support and an improvement in trade after the balance sheet date, the company retains enough working capital to remain trading for the foreseeable future.

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:

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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

During the year the business was in receipt of the following grants in relation to the COVID-19 pandemic:

Bounceback loan interest paid by the Government, accrued in the period to which it relates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

2.6 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.

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

Depreciation is provided on the following basis:

Plant and machinery	-	25%	Straight Line
Motor vehicles	-	25%	Reducing balance
Office equipment	-	25%	Reducing Balance

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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.7 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.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

2.11 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
	<u>2</u>	<u>2</u>
Employees		

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 January 2021	2,244	3,000	-	5,244
Additions	-	3,500	1,889	5,389
	<u>2,244</u>	<u>6,500</u>	<u>1,889</u>	<u>10,633</u>
At 31 December 2021	2,244	6,500	1,889	10,633
	<u>2,244</u>	<u>6,500</u>	<u>1,889</u>	<u>10,633</u>
Depreciation				
At 1 January 2021	-	750	-	750
Charge for the year on owned assets	561	1,438	472	2,471
	<u>561</u>	<u>2,188</u>	<u>472</u>	<u>3,221</u>
At 31 December 2021	561	2,188	472	3,221
	<u>561</u>	<u>2,188</u>	<u>472</u>	<u>3,221</u>
Net book value				
At 31 December 2021	<u>1,683</u>	<u>4,312</u>	<u>1,417</u>	<u>7,412</u>
<i>At 31 December 2020</i>	<u>2,244</u>	<u>2,250</u>	<u>-</u>	<u>4,494</u>

5. Debtors

	2021 £	2020 £
Trade debtors	7,260	2,133
Other debtors	930	1,551
	<u>8,190</u>	<u>3,684</u>

**NOTES TO THE FINANCIAL STATEMENTS
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6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	6,000	4,000
Trade creditors	-	432
Other taxation and social security	4,350	4,775
Accruals and deferred income	11,929	2,000
	<u>22,279</u>	<u>11,207</u>

Bank loan above is unsecured.

7. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	20,500	26,000
	<u>20,500</u>	<u>26,000</u>

Bank loan above is unsecured.

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.