

RED ONE LTD
Unaudited Financial Statements
For the financial year ended 31 March 2021
Pages for filing with the registrar

RED ONE LTD
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

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RED ONE LTD
BALANCE SHEET
As at 31 March 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	3	8,265	12,007
		8,265	12,007
Current assets			
Debtors	4	694,648	351,452
Cash at bank and in hand		408,102	311,096
		1,102,750	662,548
Creditors			
Amounts falling due within one year	5	(1,620,294)	(1,253,036)
Net current liabilities		(517,544)	(590,488)
Total assets less current liabilities		(509,279)	(578,481)
Creditors			
Amounts falling due after more than one year	6	(134,000)	(68,000)
Net liabilities		(643,279)	(646,481)
Capital and reserves			
Called-up share capital	7	1	1
Profit and loss account		(643,280)	(646,482)
Total shareholder's deficit		(643,279)	(646,481)

For the financial year ending 31 March 2021 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 of its financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Red One Ltd (registered number: 07379630) were approved and authorised for issue by the Director on 22 December 2021. They were signed on its behalf by:

Sian George
Director

RED ONE LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Red One Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Devon Transport Centre Red One Offices, Westpoint, Clyst St. Mary, Exeter, EX5 1DJ.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors note that the business has net liabilities of £643,279. The Company is supported through loans from the Parent Company. The directors have received assurances that the loan facilities will continue to be available for at least 12 months from the date of signing these financial statements and the Parent Company will continue to support the Company. After making enquiries, the directors believe that any foreseeable debts can be met for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Employee benefits

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

Defined benefit schemes

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the Profit and Loss Account and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Statement of Comprehensive Income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. Actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date.

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The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial valuations.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Fixtures and fittings	5	-	0	years	Straight line
Computer equipment	5	-	0	years	Straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

2. Employees

	2021	2020
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	27	31

3. Tangible assets

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost			
At 01 April 2020	5,544	28,698	34,242
Additions	1,040	1,312	2,352
Disposals	(1,401)	(5,375)	(6,776)
At 31 March 2021	5,183	24,635	29,818
Accumulated depreciation			
At 01 April 2020	2,909	19,326	22,235
Charge for the financial year	906	3,983	4,889
Disposals	(1,272)	(4,299)	(5,571)
At 31 March 2021	2,543	19,010	21,553
Net book value			
At 31 March 2021	2,640	5,625	8,265
At 31 March 2020	2,635	9,372	12,007

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4. Debtors

	2021	2020
	£	£
Trade debtors	421,064	290,759
Other debtors	273,584	60,693
	694,648	351,452

5. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	885,713	873,082
Other creditors	541,137	359,934
Other taxation and social security	193,444	20,020
	1,620,294	1,253,036

6. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	134,000	68,000

There are no amounts included above in respect of which any security has been given by the small entity.

7. Called-up share capital

	2021	2020
	£	£
Allotted, called-up and fully-paid		
1 Ordinary share of £ 1.00	1	1

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8. Financial commitments

Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
- within one year	3,686	3,686
- between one and five years	1,229	5,352
	4,915	9,038

The amount related to operating lease commitments for the photocopier and vending machines totalling £3,686 per annum and which expire in 2022.

9. Pension and other schemes

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

	2021	2020
	£	£
Fair value of scheme assets	114,000	86,000
Present value of defined benefit obligation	(248,000)	(154,000)
	(134,000)	(68,000)

Defined benefit pension schemes

This is a defined benefit plan provided to the employees of Red One Ltd by Devon County Council and which is part of the Local Government Pension Scheme (LGPS). Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations.

The most recent comprehensive actuarial valuation is dated 31 March 2021. The next actuarial valuation will be carried out as at 31 March 2022 and will set contributions for the period 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS by the contributions are generally set to target a funding level of 100% using actuarial valuation assumptions. The minimum employer contributions are due for the periods beginning April 2021 and 1 April 2022 has been set at 17.0% of payroll.

As many unrelated employers participate in the LGPS, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

Defined benefit obligation

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	2021
	£
Present value at start of year	154,000
Service cost	8,000
Interest cost	4,000
Benefits paid	0
Contributions by scheme participants	2,000
Change in financial assumptions	84,000
Change in demographic assumptions	(2,000)
Experience loss/(gain) on defined benefit obligation	(2,000)
	248,000

Fair value of scheme assets

	2021
	£
Fair value at start of year	86,000
Interest income	2,000
Return on plan assets, excluding amounts included in interest income/(expense)	20,000
Employer contributions	4,000
Contributions by scheme participants	2,000
Benefits paid	0
	114,000

Analysis of assets

	2021
	£
Cash and cash equivalents	4,000
Equity instruments	72,000
Property and infrastructure	14,000
Investment funds	24,000
	114,000

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.