

Unaudited Financial Statements

for the Year Ended 30 June 2021

for

Red Hot Penny Limited

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for the Year Ended 30 June 2021

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Red Hot Penny Limited

Company Information
for the Year Ended 30 June 2021

DIRECTORS:

D S Bull
D P Schulhof

REGISTERED OFFICE:

Sussex Barn
1 Ashridgewood Business Park
Warren House Road
Wokingham
Berkshire
RG40 5BS

REGISTERED NUMBER:

09605163 (England and Wales)

ACCOUNTANTS:

PKB Accountants Limited
Chartered Certified Accountants
Beechey House
87 Church Street
Crowthorne
Berkshire
RG45 7AW

Balance Sheet
30 June 2021

	Notes	30.6.21 £	£	30.6.20 £	£
FIXED ASSETS					
Tangible assets	4		33,076		24,933
CURRENT ASSETS					
Debtors	5	186,593		192,657	
Cash at bank and in hand		<u>401,095</u>		<u>312,262</u>	
		587,688		504,919	
CREDITORS					
Amounts falling due within one year	6	<u>373,122</u>		<u>418,863</u>	
NET CURRENT ASSETS			<u>214,566</u>		<u>86,056</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			247,642		110,989
CREDITORS					
Amounts falling due after more than one year	7		(119,000)		(50,000)
PROVISIONS FOR LIABILITIES			<u>(3,436)</u>		<u>(1,704)</u>
NET ASSETS			<u>125,206</u>		<u>59,285</u>
CAPITAL AND RESERVES					
Called up share capital			10		10
Retained earnings			<u>125,196</u>		<u>59,275</u>
SHAREHOLDERS' FUNDS			<u>125,206</u>		<u>59,285</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
30 June 2021

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 4 October 2021 and were signed on its behalf by:

D S Bull - Director

Notes to the Financial Statements
for the Year Ended 30 June 2021

1. STATUTORY INFORMATION

Red Hot Penny Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Significant judgements and estimates

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

(a) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on physical condition and economic utilisation of the assets. See note 5 for the carrying amount of the assets and the accounting policies note Tangible Fixed Assets for the useful economic lives of each class of asset.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

2. ACCOUNTING POLICIES - continued

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 7 for the net carrying amount of the debtors.

Turnover

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	- 20% on cost
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Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change 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 Statement of financial position 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and Cash Equivalents

Cash is represented by cash equivalents and cash in hand with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Grants

Grants related to assets are included in deferred income and released to the profit and loss account in equal instalments over the expected useful lives of the related assets.

Grants related to income are generally deducted in reporting the related expense.

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 the realise the asset and settle the liability simultaneously.

Loans and Receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and other receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade debtors with no stated interest rate and receivable within one year are recorded at a transaction price. Any losses arising from impairment are recognised in the income statement in any other administrative expenses.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

2. ACCOUNTING POLICIES - continued

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies are 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables with no stated interest rate or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 15 (2020 - 15) .

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Computer equipment £	Totals £
COST			
At 1 July 2020	10,542	24,841	35,383
Additions	-	14,195	14,195
At 30 June 2021	<u>10,542</u>	<u>39,036</u>	<u>49,578</u>
DEPRECIATION			
At 1 July 2020	-	10,450	10,450
Charge for year	-	6,052	6,052
At 30 June 2021	<u>-</u>	<u>16,502</u>	<u>16,502</u>
NET BOOK VALUE			
At 30 June 2021	<u>10,542</u>	<u>22,534</u>	<u>33,076</u>
At 30 June 2020	<u>10,542</u>	<u>14,391</u>	<u>24,933</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21 £	30.6.20 £
Trade debtors	133,490	116,912
Other debtors	<u>53,103</u>	<u>75,745</u>
	<u>186,593</u>	<u>192,657</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21 £	30.6.20 £
Bank loans and overdrafts	21,000	-
Trade creditors	79,092	52,932
Taxation and social security	109,302	140,542
Other creditors	<u>163,728</u>	<u>225,389</u>
	<u>373,122</u>	<u>418,863</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.21 £	30.6.20 £
Bank loans	<u>119,000</u>	<u>50,000</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

	30.6.21	30.6.20
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>7,000</u>	<u>-</u>

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.21	30.6.20
	£	£
Within one year	<u>4,633</u>	<u>4,633</u>

9. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the director repaid his outstanding loan (2020: £13,794).

**Chartered Certified Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Red Hot Penny Limited**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Red Hot Penny Limited for the year ended 30 June 2021 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/rulebook>.

This report is made solely to the Board of Directors of Red Hot Penny Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Red Hot Penny Limited and state those matters that we have agreed to state to the Board of Directors of Red Hot Penny Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Red Hot Penny Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Red Hot Penny Limited. You consider that Red Hot Penny Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Red Hot Penny Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

PKB Accountants Limited
Chartered Certified Accountants
Beechey House
87 Church Street
Crowthorne
Berkshire
RG45 7AW

4 October 2021

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.