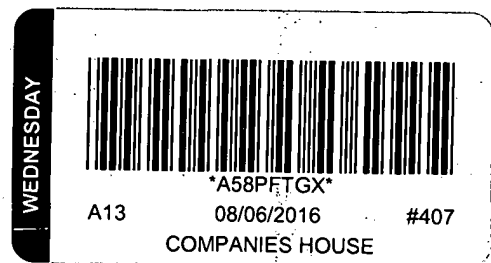


COMPANY REGISTRATION NUMBER: 5288420

Registrar of  
Companies

**Red Eagle Limited**  
**Financial Statements**  
**31 December 2015**



**BURGESS HODGSON LLP**  
Chartered Accountants & statutory auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

**Red Eagle Limited**  
**Financial Statements**  
**Year ended 31 December 2015**

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**Red Eagle Limited**  
**Strategic Report**  
**Year ended 31 December 2015**

The directors present their strategic report for the year ended 31 December 2015 below.

**Business Review**

The company is pleased to report a successful 2015 and once again we were extremely proud to continue the company's trend of annual growth year on year.

The company continued to face challenging market conditions during the year with clients seeking reduced margins and increased service criteria, in addition to Government legislation, such as Onshore Intermediately Reporting, increasing the work load across the recruitment industry. Red Eagle was well placed to deal with the new legislation as we operate our own internal payroll, paying our staff via PAYE, and do not operate any schemes designed to circumvent the legislation. This allowed us to incorporate the new legislation as part of our existing processes and we welcome future legislation designed to prevent the underpayment of tax or underpayment of employees and look forward to a level playing field in future where all are paid standard PAYE contracts throughout the industry.

In line with the above we made the commercial decision to cease supplying to one of our existing neutral vendor customers during the year as an associated intermediary party was to be introduced and our employees had to be paid through their own umbrella scheme with the payroll company retaining 50% of the workers travel and subsistence expenses. Worker welfare continues to be extremely important to Red Eagle and we felt it was unethical to force our employees into this scheme without offering them a standard PAYE contract alternative as they had with Red Eagle. Whilst this decision had an immediate impact on our turnover we were able to secure alternative business and maintain our growth forecast for the year. Since this decision we have continued to increase our customer base and spread our turnover more evenly over a larger number of customers thus reducing our bad debt exposure.

Through Red Eagle's commitment to providing excellent customer service, strong customer relationships, worker welfare and an efficient payroll and invoicing processes we were able to negotiate Sole Agency Agreements with a number of prestigious clients in north Kent during the year. These agreements combined with higher demand from our existing clients resulted in a 21.6% increase in turnover on 2014.

During the year we continued our strong focus on collecting money on time from debtors and improving the company's cash flow. We are pleased to report that once again Debtor Days has fallen and the percentage loaned against debts has reduced dramatically.

**Key Performance Indicators**

Turnover £15,489,766 (2014: £13,288,508)

Gross profit £1,470,534 (2014: £1,302,421)

Gross profit margin 9.5% (2014: 9.8%)

% loaned against debts 39.1% (2014: 26.8%)

Debtor days 28 days (2014: 52 days)

Strong controls are maintained on debtors and any overdue balances are chased regularly.

**Future plans**

Moving forwards to 2016 we are looking to continue to develop our relationships with our existing customers and provide excellent customer service in order to secure additional Sole Agency Agreements and consolidate our position in the market as well as providing our clients with the staffing flexibility to expand and grow when demand dictates.

# Red Eagle Limited

## Strategic Report *(continued)*

### Year ended 31 December 2015

During 2016 an additional office will be incorporated under the existing Red Eagle brand through a joint venture with an existing recruitment agency based in North Kent. Using the existing Red Eagle recruitment team's experience and support and the existing finance infrastructure will allow the new enterprise to reduce overheads and target new clients in the North Kent, Surrey, Essex and South London areas which have previously been managed by a smaller onsite satellite office. We expect continued growth with our customer base, turnover and profitability.

This report was approved by the board of directors on 10/05/16 and signed on behalf of the board by:



W HODGSON

Director

Registered office:  
39 Bouverie Square  
Folkestone  
Kent  
CT20 1BA

# Red Eagle Limited

## Directors Report

### Year ended 31 December 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

#### Directors

The directors who served the company during the year were as follows:

J Hodgson  
W Hodgson  
W M J Cotter

#### Dividends

Particulars of recommended dividends are detailed in note 8 to the financial statements.

#### Employment of disabled persons

It is the policy of the company that applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled all reasonable effort is made to ensure that their employment within the company continues. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of an able bodied person. It is the policy of the company that applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled all reasonable effort is made to ensure that their employment within the company continues. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of an able bodied person.

#### Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

#### Directors responsibilities statement

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

# Red Eagle Limited

## Directors Report *(continued)*

### Year ended 31 December 2015

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 10/05/16 and signed on behalf of the board by:



W HODGSON

Director

Registered office:  
39 Bouverie Square  
Folkestone  
Kent  
CT20 1BA

## **Red Eagle Limited**

### **Independent Auditor's Report to the Shareholders of Red Eagle Limited**

#### **Year ended 31 December 2015**

We have audited the financial statements of Red Eagle Limited for the year ended 31 December 2015, on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Red Eagle Limited

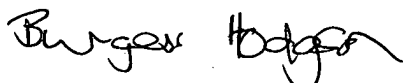
### Independent Auditor's Report to the Shareholders of Red Eagle Limited *(continued)*

Year ended 31 December 2015

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Colin Reid (Senior Statutory Auditor)

For and on behalf of  
Burgess Hodgson LLP  
Chartered Accountants & statutory auditor

Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

1/6/16



**Red Eagle Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2015**

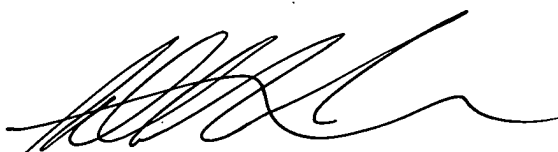
	Note	2015 £	2014 £
<b>Turnover</b>	<b>3</b>	15,489,766	13,288,512
Cost of sales		14,019,232	11,986,091
<b>Gross profit</b>		<u>1,470,534</u>	<u>1,302,421</u>
Administrative expenses		1,129,298	901,790
<b>Operating profit</b>	<b>4</b>	341,236	400,631
Interest receivable		3,239	74
<b>Profit on ordinary activities before taxation</b>		344,475	400,705
Taxation on ordinary activities	<b>7</b>	79,430	91,341
<b>Profit for the financial year and total comprehensive income</b>		<u>265,045</u>	<u>309,364</u>

All the activities of the company are from continuing operations.

**Red Eagle Limited**  
**Statement of Financial Position**  
**31 December 2015**

	Note	2015 £	£	2014 £
<b>Fixed assets</b>				
Tangible assets	9		32,376	29,930
<b>Current assets</b>				
Debtors	10	1,334,145		2,382,623
Cash at bank and in hand		145,367		233,041
		<u>1,479,512</u>		<u>2,615,664</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>1,205,587</u>		<u>2,381,901</u>
<b>Net current assets</b>			<u>273,925</u>	<u>233,763</u>
<b>Total assets less current liabilities</b>			306,301	263,693
<b>Provisions</b>				
Taxation including deferred tax	13		5,563	—
<b>Net assets</b>			<u>300,738</u>	<u>263,693</u>
<b>Capital and reserves</b>				
Called up share capital	15		2	2
Profit and loss account	16		<u>300,736</u>	<u>263,691</u>
<b>Shareholders funds</b>			<u>300,738</u>	<u>263,693</u>

These financial statements were approved by the board of directors and authorised for issue on 30/05/16, and are signed on behalf of the board by:



W Hodgson  
Director

Company registration number: 5288420

**Red Eagle Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2015**

		Called up share capital £	Profit and loss account £	Total £
<b>At 1 January 2014</b>		2	204,327	204,329
Profit for the year		—	309,364	309,364
<b>Total comprehensive income for the year</b>		—	309,364	309,364
Dividends paid and payable	<b>8</b>	—	(250,000)	(250,000)
<b>Total investments by and distributions to owners</b>		—	(250,000)	(250,000)
<b>At 31 December 2014</b>		2	263,691	263,693
Profit for the year		—	265,045	265,045
<b>Total comprehensive income for the year</b>		—	265,045	265,045
Dividends paid and payable	<b>8</b>	—	(228,000)	(228,000)
<b>Total investments by and distributions to owners</b>		—	(228,000)	(228,000)
<b>At 31 December 2015</b>		<u>2</u>	<u>300,736</u>	<u>300,738</u>

**Red Eagle Limited**  
**Statement of Cash Flows**  
**Year ended 31 December 2015**

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	265,045	309,364
<i>Adjustments for:</i>		
Depreciation of tangible assets	15,555	12,639
Interest receivable	(3,239)	(74)
Gains on disposal of tangible assets	–	(108)
Taxation on ordinary activities	79,430	91,341
Accrued expenses	13,664	7,884
<i>Changes in:</i>		
Trade and other debtors	1,048,478	(221,049)
Trade and other creditors	(1,225,506)	(40,908)
Cash generated from operations	193,427	159,089
Interest received	3,239	74
Tax paid	(141,707)	(67,941)
Net cash from operating activities	<u>54,959</u>	<u>91,222</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(18,001)	(20,738)
Proceeds from sale of tangible assets	–	300
Net cash used in investing activities	<u>(18,001)</u>	<u>(20,438)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans from group undertakings	103,368	146,502
Dividends paid	(228,000)	(250,000)
Net cash used in financing activities	<u>(124,632)</u>	<u>(103,498)</u>
<b>Net decrease in cash and cash equivalents</b>	(87,674)	(32,714)
<b>Cash and cash equivalents at beginning of year</b>	<u>233,041</u>	<u>265,755</u>
<b>Cash and cash equivalents at end of year</b>	<u>145,367</u>	<u>233,041</u>

**Red Eagle Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2015**

**1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**2. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

## Red Eagle Limited

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2015

#### 2. Accounting policies *(continued)*

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor vehicles	-	20% straight line
Office equipment	-	33% straight line

##### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# Red Eagle Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 2. Accounting policies *(continued)*

##### Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 3. Turnover

Turnover arises from:

	2015 £	2014 £
Rendering of services	<u>15,489,766</u>	<u>13,288,512</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 4. Operating profit

Operating profit or loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible assets	15,555	12,639
Gains on disposal of tangible assets	–	(108)
Defined contribution plans expense	<u>45,476</u>	<u>34,079</u>

#### 5. Auditor's remuneration

	2015 £	2014 £
Fees payable for the audit of the financial statements	<u>2,890</u>	<u>2,750</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	<u>3,610</u>	<u>3,400</u>

#### 6. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2015 No	2014 No
Production staff	1,640	1,612
Administrative staff	13	16
	<u>1,653</u>	<u>1,628</u>

## Red Eagle Limited

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2015

#### 6. Particulars of employees *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015	2014
	£	£
Wages and salaries	11,705,381	10,663,887
Social security costs	545,682	563,735
Other pension costs	45,476	34,079
	12,296,539	11,261,701

#### 7. Taxation on ordinary activities

##### Major components of tax expense

	2015	2014
	£	£
<b>Current tax:</b>		
UK current tax expense	73,560	91,400
Adjustments in respect of prior periods	307	(59)
Total current tax	73,867	91,341
<b>Deferred tax:</b>		
Origination and reversal of timing differences	5,563	-
<b>Taxation on ordinary activities</b>	79,430	91,341

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK of 20.21% (2014: 21.51%).

	2015	2014
	£	£
Profit on ordinary activities before taxation	344,475	400,705
Profit on ordinary activities by rate of tax	69,627	86,182
Effect of expenses not deductible for tax purposes	(697)	(988)
Effect of capital allowances and depreciation	4,630	6,183
Deferred tax	5,563	-
(Over)/under provision in prior year	307	(59)
Profit on disposal of fixed assets	-	23
Tax on profit on ordinary activities	79,430	91,341

#### 8. Dividends

	2015	2014
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	228,000	250,000



# Red Eagle Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2015

#### 9. Tangible assets

	Motor vehicles £	Equipment £	Total £
<b>Cost</b>			
At 1 January 2015	12,443	49,273	61,716
Additions	–	18,001	18,001
<b>At 31 December 2015</b>	<u>12,443</u>	<u>67,274</u>	<u>79,717</u>
<b>Depreciation</b>			
At 1 January 2015	2,287	29,499	31,786
Charge for the year	2,489	13,066	15,555
<b>At 31 December 2015</b>	<u>4,776</u>	<u>42,565</u>	<u>47,341</u>
<b>Carrying amount</b>			
<b>At 31 December 2015</b>	<u>7,667</u>	<u>24,709</u>	<u>32,376</u>
At 31 December 2014	<u>10,156</u>	<u>19,774</u>	<u>29,930</u>

#### 10. Debtors

	2015 £	2014 £
Trade debtors	1,194,050	2,208,413
Amounts owed by group undertakings	91,134	124,806
Prepayments and accrued income	38,249	24,334
Other debtors	10,712	25,070
	<u>1,334,145</u>	<u>2,382,623</u>

The trade debtors figure of £1,194,050 all relate to invoice discounted debts (2014: £2,208,413).

#### 11. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	56,242	71,461
Amounts owed to group undertakings	103,368	–
Accruals and deferred income	205,736	192,072
Corporation tax	23,560	91,400
Social security and other taxes	342,796	816,196
Other creditors	473,885	1,210,772
	<u>1,205,587</u>	<u>2,381,901</u>

Within other creditors is £467,199 (2014: £1,210,772) secured against the invoice discounted debts of the company.

## Red Eagle Limited

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2015

#### 12. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2015	2014
	£	£
Included in provisions (note 13)	5,563	—
	<u>5,563</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Accelerated capital allowances	5,563	—
	<u>5,563</u>	<u>—</u>

#### 13. Provisions

	Deferred tax (note 12)
	£
Additions	5,563
At 31 December 2015	<u>5,563</u>

#### 14. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £45,476 (2014: £34,079).

#### 15. Called up share capital

##### Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

#### 16. Reserves

Called up share capital - This reserve records the amount paid for shares at their nominal value.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 17. Commitments under operating leases

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

	2015	2014
	£	£
Not later than 1 year	39,217	20,958
Later than 1 year and not later than 5 years	47,125	12,283
	<u>86,342</u>	<u>33,241</u>

## Red Eagle Limited

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2015

##### 18. Related party transactions

The company was under the control of Mr W Hodgson and Mrs J Hodgson throughout the current and previous year. The company has not disclosed transactions with other companies in the same group as consolidated accounts are prepared by the ultimate holding company.

At the year end the company was owed £5,937 (2014: £125) by Site Labour Supplies Limited, a related company by virtue of common control. During the year the company made sales totalling £46,367 (2014: £69,574) to Site Labour Supplies Limited and purchases of £31,207 (2014: £44,688).

At the year end the company was owed £3,725 (2014: £2,750) by Red Eagle Training Ltd, a related company by virtue of common control.

At the year end the company was owed £950 (2014: £20,995) by SLS Construction (UK) Ltd, a related company by virtue of common control.

During the year the company paid rent of £30,000 (2014: £25,000) to Mr W Hodgson and Mrs J Hodgson for use of the commercial property.

##### 19. Controlling party

The ultimate parent undertaking of the company is The Red Eagle Group Limited, a company registered in England and Wales.

##### 20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.