

The Renwick Group plc  
Annual report  
for the year ended 31 December 2009

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**The Renwick Group plc**  
**Annual Report**  
**for the year ended 31 December 2009**  
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# **The Renwick Group plc**

## **Directors' report for the year ended 31 December 2009**

**Registered Number 00247231**

The directors present their report and the audited financial statements for the year ended 31 December 2009

### **Principal activity**

The principal activity of the company is an intermediate holding company, in the RNO Limited Group, which holds the entire issued share capital of Princess Yachts International plc, a company which manufactures motor yachts from five locations in the South West of England

### **Business review**

The company has not traded during the year, with all transactions being related to the role of the immediate holding company, RNO Limited and the financing of the group

### **Results and dividends**

The results for the year are given on page 5 Dividends of £6,708,000 were paid in the year (2008 £54,418,000) No final dividend has been proposed by the Directors

### **Directors**

The directors of the company during the year were

D S King  
C J Gates

### **Employees**

The company pursues a policy of providing whenever possible the same employment opportunities to disabled persons as to others, including existing employees who become disabled

Employees are kept informed and consulted on matters of importance to them, including those factors affecting the performance and future of the business, by regular works committee meetings and the issue of periodic newsletters

### **Management of financial risk**

Details of policies and procedures relating to the subsidiaries are included in their annual reports There are no other financial risks specific to the company

# **The Renwick Group plc**

## **Directors' report for the year ended 31 December 2009 (continued)**

**Registered Number 00247231**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

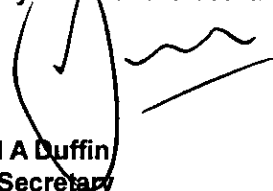
In accordance with Companies Act 2006 Section 418, so far as each director is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

A resolution for the re-appointment of PricewaterhouseCoopers LLP will be proposed at the Annual General Meeting.

**By order of the board**



**I A Duffin**  
**Secretary**

26 March 2010

# **The Renwick Group plc**

## **Independent auditors' report to the members of The Renwick Group plc**

We have audited the financial statements of The Renwick Group plc for the year ended 31 December 2009 which comprise the profit and loss account, the note of historical cost profit and losses, the balance sheet and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page two, 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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.

### **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 2009 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**

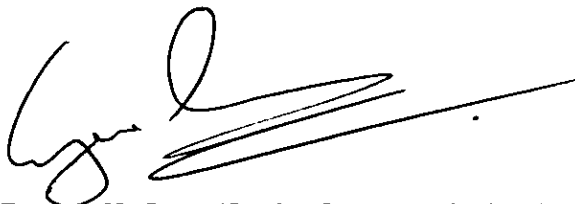
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# The Renwick Group plc

## 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



**Eugene McCann (Senior Statutory Auditor)**  
**For and on behalf of PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors  
Plymouth

30 March 2010

# The Renwick Group plc

## Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000 Continuing	2008 £'000 Discontinued	2008 £'000 Continuing	2008 £'000
Net operating expenses		(1)	154	(213)	(59)
<b>Operating (loss)/profit</b>	2	(1)	154	(213)	(59)
Income from shares in group undertakings		6,967			16,058
Interest receivable on bank deposits		-			704
Interest payable on intercompany loan		(7)			(61)
<b>Profit before tax</b>		<b>6,959</b>			16,642
Tax	3	-			(273)
<b>Profit for the year</b>	10	<b>6,959</b>			16,369

The discontinued operations in 2008 were the income and expenditure from the investment properties, the last of which was disposed of during May 2008

The company has no other recognised gains or losses for the year other than the profits shown above and therefore no separate statement of total recognised gains and losses has been presented

## Note of historical cost profit and losses for the year ended 31 December 2009

	2009 £'000	2008 £'000
Reported profit on ordinary activities before tax	6,959	16,642
Realisation of investment property revaluation gain of prior years	-	1,274
Historical cost profit on ordinary activities before tax	6,959	17,916
<b>Historical cost profit on ordinary activities after tax</b>	<b>6,959</b>	<b>17,643</b>

# The Renwick Group plc

## Balance sheet at 31 December 2009

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Investments	5	68,599	73,515
		<b>68,599</b>	<b>73,515</b>
<b>Current assets</b>			
Debtors	6	1	-
Cash		8	133
		<b>9</b>	<b>133</b>
Creditors' amounts falling due within one year	7	-	(375)
<b>Net current assets</b>		<b>9</b>	<b>(242)</b>
<b>Net assets</b>		<b>68,608</b>	<b>73,273</b>
<b>Capital and reserves</b>			
Called up share capital	9	15,515	15,515
Share premium account	10	1,632	1,632
Revaluation reserve	10	38,711	43,627
Profit and loss account	10	12,750	12,499
<b>Equity shareholders' funds</b>	11	<b>68,608</b>	<b>73,273</b>

The financial statements on pages 5 to 13 were approved by the board of directors on 26 March 2010 and were signed on its behalf by



**D S King**  
Director



**C J Gates**  
Director



# **The Renwick Group plc**

## **Notes to the financial statements for the year ended 31 December 2009**

### **1 Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of investments and certain fixed assets. The directors have considered the accounting policies and estimation techniques detailed below and concluded that, in accordance with FRS 18 'Accounting Policies', they are the most appropriate for the group.

#### **Basis of consolidation**

The company is a wholly-owned subsidiary of RNO Limited and is included in the consolidated financial statements of RNO Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

#### **Cashflow statement**

The company has taken advantage of the exemption under FRS1 from preparing a cashflow statement. The exemption applies on the grounds that The Renwick Group plc is a wholly owned subsidiary of RNO Limited whose consolidated accounts, which include The Renwick Group plc, are publicly available.

#### **Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

#### **Tax, including deferred tax**

The tax expense represents the sum of current tax expense and deferred tax expense.

Current tax expense is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 balance sheet date.

Deferred tax is accounted for on an undiscounted basis at expected rates on all differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised where the directors are satisfied that the amount is recoverable.

# The Renwick Group plc

## Accounting Policies (continued)

### Investments

Investments are stated at the directors' estimate of market value. The amount of any profit or loss arising on the revaluation is taken to the revaluation reserve.

### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. The group uses forward foreign exchange contracts to manage exposure to fluctuations in exchange rates.

## 2 Operating (loss)/profit

	2009 £'000	2008 £'000
Operating(loss)/ profit is stated after charging		
Depreciation of tangible fixed assets	-	4
Profit on disposal of tangible fixed assets	-	164
Aggregate directors' emoluments	-	269
Auditors' remuneration		
- audit	1	2
- other services	-	10

# The Renwick Group plc

## 3 Tax on profit on ordinary activities

### Analysis of charge to profit and loss account

	2009 £'000	2008 £'000
<b>Corporation tax.</b>		
Corporation tax on profit for the year	-	273
<b>Total corporation tax charge</b>	-	273
<b>Deferred tax:</b>		
<b>Total deferred tax credit (note 8)</b>	-	-
<b>Tax charge for the year</b>	-	273

### Factors affecting charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2009 £'000	2008 £'000
Profit before tax	6,959	16,642
Profit multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	1,949	4,743
Effects of		
- accelerated capital allowances	-	(8)
- income not taxable/expenses not deductible	(1,951)	(4,636)
- group relief (unpaid)	2	-
- capital transactions	-	174
<b>Total corporation tax charge for the year</b>	-	273

The directors consider that there are no significant factors which may materially affect future tax charges

# The Renwick Group plc

## 4 Dividends

	2009 £'000	2008 £'000
Interim dividend paid (10.81 pence per share (2008 77.49 pence per share))	6,708	48,089

Early in 2008, the directors became aware that a dividend paid by the Company in 2003 was technically illegal since the interim accounts had not been filed with the Registrar of Companies. The illegal part of the dividend amounted to £6,329,000.

A prior year adjustment was made to the opening reserves of 2007 creating a balance due from group companies. In 2008, a dividend in specie was declared by the directors, representing the company waiving its right to repayment of the dividend. The 2008 amount above therefore includes a £6,329,000 dividend in specie relating to the 2003 illegal dividend.

## 5 Investments

	2009 £'000	2008 £'000
Valuation at 1 January	73,515	67,883
Transfer to parent company	-	(500)
(Deficit)/surplus on revaluation	(4,916)	6,132
<b>Valuation at 31 December of investments in unlisted subsidiaries</b>	<b>68,599</b>	<b>73,515</b>

The cost of the unlisted investments in subsidiaries was £29,918,000 (2008 £29,918,000). The investments in subsidiary undertakings are revalued so that they are equivalent to the underlying net assets.

The principal subsidiary undertakings are

Subsidiary	Holding	Nature of Business	Country of Incorporation
Princess Yachts International plc	100%	Manufacture of motor yachts	England
Felix Engineering Limited*	100%	Manufacture of motor yachts	England
Long Asia (H K) Limited*	100%	Retailer of motor yachts	Hong Kong

\*100% subsidiary of Princess Yachts International plc

The share in Long Asia (H K) Limited was obtained during 2009 and is held at a cost of HK\$1.00

# The Renwick Group plc

## 6 Debtors

	2009 £'000	2008 £'000
<b>Amounts due in less than one year</b>		
Other debtors	1	-

## 7 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due to group undertaking	-	252
Corporation tax	-	123
	-	375

## 8 Deferred tax

Deferred tax is made up as follows

	2009 £'000	2008 £'000
<b>Amounts unprovided</b>		
Accelerated capital allowances	-	8
<b>Total provision</b>	-	8

## 9 Called up share capital

	2009 £'000	2008 £'000
<b>Authorised</b>		
80,000,000 ordinary shares of £0.25 each	20,000	20,000
<b>Allotted and fully paid</b>		
62,059,636 ordinary shares of £0.25 each	15,515	15,515

# The Renwick Group plc

## 10 Reserves

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2009	1,632	43,627	12,499
Profit for the year	-	-	6,959
Dividends paid	-	-	(6,708)
Revaluation of investments	-	(4,916)	-
<b>At 31 December 2009</b>	<b>1,632</b>	<b>38,711</b>	<b>12,750</b>

## 11 Equity shareholders' funds

	2009 £'000	2008 £'000
At 1 January 2009	73,273	105,190
Profit for the year	6,959	16,369
Dividends paid	(6,708)	(54,418)
Revaluation of investments	(4,916)	6,132
<b>At 31 December 2009</b>	<b>68,608</b>	<b>73,273</b>

## 12 Related parties

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under FRS 8 'Related Party Disclosures'

A premium of £64,000 was received in 2008 by the immediate parent company, RNO Limited, from two directors (C J Gates and D S King) to acquire a put option on the shares which, when exercised, will require RNO Group SCA, the ultimate parent undertaking, to purchase these shares

## 13 Post balance sheet events

Since the year end, dividends amounting to £1,549,677 have been declared and paid amounting to 2 50 pence per share

## **The Renwick Group plc**

### **14 Ultimate parent undertaking**

RNO Group SCA, a company incorporated in Luxembourg, is regarded by the directors as the company's ultimate parent company. These accounts are not filed.

The smallest group in which the results of the company are consolidated is the immediate parent undertaking, RNO Limited. The consolidated accounts of RNO Limited may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

### **15 Approval of financial statements**

The financial statements on pages 5 to 13 of this annual report were approved by the Board on 26 March 2010.