

Financial Statements
for the Year Ended 30 September 2023
for
Renelec Hennion Limited

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for the Year Ended 30 September 2023**

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Renelec Hennion Limited
Company Information
for the Year Ended 30 September 2023

DIRECTORS: A P Mills
M G Reeves

SECRETARY: A K Harper

REGISTERED OFFICE: Brownston House
New Park Street
Devizes
Wiltshire
SN10 1DS

REGISTERED NUMBER: 05817190 (England and Wales)

AUDITORS: Mander Duffill
Chartered Accountants & Statutory Auditor
The Old Post Office
41-43 Market Place
Chippenham
Wiltshire
SN15 3HR

Renelec Hennion Limited (Registered number: 05817190)

Balance Sheet
30 September 2023

	Notes	30.9.23 £	£	30.9.22 £	£
FIXED ASSETS					
Tangible assets	4		684		927
CURRENT ASSETS					
Stocks	5	143,586		93,756	
Debtors	6	1,558,146		1,293,964	
Cash at bank		-		54	
		<u>1,701,732</u>		<u>1,387,774</u>	
CREDITORS					
Amounts falling due within one year	7	<u>1,602,745</u>		<u>1,355,558</u>	
NET CURRENT ASSETS			<u>98,987</u>		<u>32,216</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>99,671</u>		<u>33,143</u>
CAPITAL AND RESERVES					
Called up share capital			1,000		1,000
Retained earnings			<u>98,671</u>		<u>32,143</u>
SHAREHOLDERS' FUNDS			<u>99,671</u>		<u>33,143</u>

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 Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 March 2024 and were signed on its behalf by:

A P Mills - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 September 2023

1. STATUTORY INFORMATION

Renelec Hennion 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

The directors prepare both budgets and cash flow forecasts for at least 12 months from the date of approval of these financial statements and they are satisfied that those forecasts provide reasonable expectation that the company can continue in operational existence for the foreseeable future.

The forecasts prepared take account of current market conditions including the impact of higher interest rates and inflation, post year end trading performance, secured turnover and tendered contracts. The directors have also considered the amount by which turnover is required to fall such that the business may not be able to meet its liabilities as they fall due and on the basis of post year end trading to date, the current order book and market expectations, they consider chance of such a significant fall in turnover to be remote. Management continually reviews credit terms offered to customers and outstanding balances.

The result of these reviews is that the directors are satisfied that the company can meet its liabilities as they fall due for a period of at least 12 months from approval of the financial statements and therefore it is appropriate to prepare the financial statements on a going concern basis.

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;
- the costs incurred and the costs to complete the contract can be measured reliably

On contracts that are forecast to be profitable, profit is taken on the basis of the value of work carried out at the Statement of Financial Position date, taking into account the stage of completion of the contract and total expected costs at the various stages of the contract. Turnover derived from variations on contracts are recognised only when they have been accepted by the customer.

On contracts that are forecast to be loss-making, all of the loss is recognised as soon as it is foreseen irrespective of the stage of completion of the contract.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2023

2. ACCOUNTING POLICIES - continued

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, using the straight line method.

Depreciation is provided on the following basis:

Fixture, fittings, tools & equipment - 3 to 5 years straight line

The assets' residual values, useful lives and depreciation method 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 disposal are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Long term contracts are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2023

2. ACCOUNTING POLICIES - continued

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 and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in the case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Cash and cash equivalents

Cash is represented by cash in hand and deposits 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.

Creditors

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

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 - continued
for the Year Ended 30 September 2023

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 17 (2022 - 17) .

Notes to the Financial Statements - continued
for the Year Ended 30 September 2023

4. TANGIBLE FIXED ASSETS

	Fixtures, fittings, tools & equipment £
COST	
At 1 October 2022	27,523
Additions	595
Disposals	(21,494)
At 30 September 2023	<u>6,624</u>
DEPRECIATION	
At 1 October 2022	26,596
Charge for year	838
Eliminated on disposal	(21,494)
At 30 September 2023	<u>5,940</u>
NET BOOK VALUE	
At 30 September 2023	<u>684</u>
At 30 September 2022	<u>927</u>

5. STOCKS

	30.9.23 £	30.9.22 £
Long term contract balances - Net cost less foreseeable losses	181,220	143,187
Excess payments on account	(37,634)	(49,431)
	<u>143,586</u>	<u>93,756</u>
	<u>143,586</u>	<u>93,756</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.23 £	30.9.22 £
Trade debtors	1,221,002	1,076,805
Amounts owed by group undertakings	10,000	63,544
Amounts recoverable on contract	36,788	23,433
Other debtors	290,356	130,182
	<u>1,558,146</u>	<u>1,293,964</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2023

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.23	30.9.22
	£	£
Bank loans and overdrafts	83,230	568,692
Payments on account	494,310	252,668
Trade creditors	956,283	473,950
Taxation and social security	41,800	39,136
Other creditors	27,122	21,112
	<u>1,602,745</u>	<u>1,355,558</u>

Amounts owed to group undertakings are unsecured, repayable on demand and do not bear interest.

8. LEASING AGREEMENTS

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

	30.9.23	30.9.22
	£	£
Within one year	<u>1,188</u>	<u>-</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.23	30.9.22
	£	£
Bank overdrafts	<u>83,230</u>	<u>568,692</u>

The bank overdraft is secured by a fixed and floating charge over all assets of the company.

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Julian Duffill FCA (Senior Statutory Auditor)
for and on behalf of Mander Duffill

11. CONTINGENT LIABILITIES

There is an unlimited cross guarantee between the company and Renelec Building Services Limited, Renelec Chalgrove Limited, Renelec Groundworks Limited, Renelec Plant Hire Limited (formerly Brownston Developments Limited), Brownston Homes Limited and Renelec Limited in favour of Svenska Handelsbanken AB (publ). This guarantee is secured by a fixed and floating charge over all assets of the company.

The company's contingent liability as at 30 September 2023 was £2,225,667 (2022 - £3,420,418).

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2023

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the smallest group for which consolidated accounts are prepared is Renelec Limited, a company registered in England and Wales. In the opinion of the directors, Renelec Limited controls the company.

The parent undertaking of the largest group for which consolidated accounts are prepared is Renelec Group Limited, a company registered in England and Wales. In the opinion of the directors, this is the company's ultimate parent undertaking.

Consolidated accounts for both of the above mentioned companies are available from Renelec Limited, Brownston House, New Park Street, Devizes, Wiltshire, SN10 1DS.

The directors of Renelec Group Limited are deemed to be the ultimate controlling party by virtue of their equal ownership of the issued share capital.

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.