

RES GROUP LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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for the Year Ended 31 December 2021

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RES GROUP LIMITED

COMPANY INFORMATION

for the Year Ended 31 December 2021

DIRECTOR:

Ms L Connor

REGISTERED OFFICE:

Unit 1 Sidings Court
Henry Boot Way
Hull
HU4 7DY

REGISTERED NUMBER:

08992619 (England and Wales)

AUDITORS:

Sowerby
Chartered Accountants and Statutory Auditors
Beckside Court
Annie Reed Road
Beverley
East Yorkshire
HU17 0LF

RES GROUP LIMITED

GROUP STRATEGIC REPORT for the Year Ended 31 December 2021

The director presents her strategic report of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company through the year has continued to be that of a holding company and the principal activities of the subsidiary companies are electrical, plumbing and drainage engineering and the installation and maintenance of air conditioning units and lifts.

The Group has continued to adapt itself to the uncertainty in the market and continues to provide design, supply and installation services as a mechanical and electrical sub-contractor throughout the UK and continues to maintain good working relations with all its major suppliers and customers old and new.

It has also invested in providing additional services such as the installation of EV Charging Points, Solar Panels and Air Source Heat Pumps which has resulted in new lines of enquiries from existing and new clients.

The business has also concentrated on reactive/maintenance element of services as opposed to long term contracting. This has been paramount in achieving the improved results and has resulted in a stronger order book.

Review of client base and trades has also been paramount.

The impact of Covid-19 during this accounting year was sufficiently less, but accommodating flexible working where applicable has resulted in minimal affect on service.

The trade of RES Lifts Limited will follow suit of RES Air Limited and trade will be consolidated into its originating company, Ryan Electrical Services & Sons Limited, with the aim to control running costs and overheads. This also provides a more attractive service to group clients, providing a more complete package of services required.

When taking into account the current economic environment the director considers the position of the group as at year end to be positive.

RES GROUP LIMITED

GROUP STRATEGIC REPORT for the Year Ended 31 December 2021

The company's key financial performance indicators during the year were as follows:

	2021 £	2020 £
Gross profit	2,582,513	2,051,310
Profit on ordinary activities before taxation, impairments and depreciation	916,729	360,886

The director believes that the key risks facing the company include:

- credit risk of clients;
- continued affects from Covid 19;
- departure of clients due to their new business strategies and service requirements;
- liquidity risk; and
- unpredictable market conditions and availability of materials and labour.

In managing the business the director has established controls to enable herself to respond to and mitigate the impact of such risks.

ON BEHALF OF THE BOARD:



.....
Ms L Connor - Director

Date: 23/8/22
.....

RES GROUP LIMITED

REPORT OF THE DIRECTOR for the Year Ended 31 December 2021

The director presents her report with the financial statements of the company and the group for the year ended 31 December 2021.

DIVIDENDS

No interim dividend was paid during the year. The director recommends a final dividend of £335 per share.

The total distribution of dividends for the year ended 31 December 2021 will be £33,500.

FUTURE DEVELOPMENTS

The group has continued to make investment in key management personnel, improvements in internal controls and revisions to core long term strategy. The director feels this investment and strategic planning has already shown great promise and envisage continued improvements to the group's long-term stability, resilience and profitability.

DIRECTOR

Ms L Connor held office during the whole of the period from 1 January 2021 to the date of this report.

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise trade debtors, trade creditors, bank balances, bank overdrafts and hire purchase agreements. The main purpose of these instruments is to raise funds to finance the group's operations.

The group's approach to managing risks applicable to the financial instruments is shown below.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

The group is a lessee in respect of finance leased assets. The monthly repayments on finance lease agreements are fixed and liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

EMPLOYEES

The group's employment policy provides equal opportunity, irrespective of sex, religion, race or marital status. Applications by persons with disabilities are given full and fair consideration and, wherever practicable, provision is made for their special needs. The same criteria for training and promotion apply to persons with disabilities as to any other employee. If employees become disabled, every effort is made to ensure their continued employment.

The group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and briefings. Employee representatives are consulted regularly on a wide range of matters affecting the current and future interest of the employees.

RES GROUP LIMITED

REPORT OF THE DIRECTOR

for the Year Ended 31 December 2021

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:


- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



.....
Ms L Connor - Director

Date: 23/8/22

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RES GROUP LIMITED

Opinion

We have audited the financial statements of RES GROUP LIMITED (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2021 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RES GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RES GROUP LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- we also obtained an understanding of the legal and regulatory frameworks that the group and company operates in and determined that the most significant are those that relate to the reporting framework, FRS 102, the Companies Act 2006 and the relevant tax laws and regulations in the UK. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, relating in majority to general health and safety and employee matters;
- we reviewed results of our enquiries of management about their own identification and assessment of the risks of irregularities; and assessed how the entity identifies, evaluates and complies with laws and regulations and whether management were aware of any instances of non-compliance. We corroborated our enquiries through our review of board minutes and consideration of the results of our audit procedures across the company;
- we also considered how the entity detects and responds to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud, and;
- we considered the controls that the group and company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those controls
- the internal controls established to mitigate risks of non-compliance with laws and regulations were also investigated.
- we also considered the existence of performance targets and their potential influence on management to manage earnings.
- where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.

These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

We reviewed financial statement disclosures and performed testing to supporting documentation to assess compliance with applicable laws and regulations.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RES GROUP LIMITED

We also tested the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. There was a focus on manual journals and journals indicating large or unusual transactions; enquiries of management; and challenging the assumptions and judgements made by management by reviewing third party evidence wherever possible.

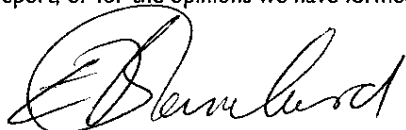
The results of our procedures did not identify any instances or irregularities, including fraud.

No inherent difficulties were found in the standard processes for detecting irregularities; due to the sector in which it operates and the controls put in place, there was no significant shift in the control environment in the current year. This also meant that the nature, timing and extent of the audit procedures performed were not significantly impacted by Covid-19.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Elizabeth Blanchard BA(Hons) BFP ACA PGCE (Senior Statutory Auditor)

for and on behalf of Sowerby

Chartered Accountants and Statutory Auditors

Beckside Court

Annie Reed Road

Beverley

East Yorkshire

HU17 0LF

Date: 23/8/22

RES GROUP LIMITED**CONSOLIDATED INCOME STATEMENT**
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER	3	15,270,382	15,852,942
Cost of sales		12,687,869	13,801,632
GROSS PROFIT		2,582,513	2,051,310
Administrative expenses		2,032,060	2,662,166
		550,453	(610,856)
Other operating income		284,969	814,961
OPERATING PROFIT	5	835,422	204,105
Interest payable and similar expenses	6	19,713	32,667
PROFIT BEFORE TAXATION		815,709	171,438
Tax on profit	7	144,243	18,207
PROFIT FOR THE FINANCIAL YEAR		671,466	153,231
Profit attributable to: Owners of the parent		671,466	153,231

The notes form part of these financial statements

RES GROUP LIMITED**CONSOLIDATED OTHER COMPREHENSIVE INCOME**
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		671,466	153,231
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>671,466</u>	<u>153,231</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>671,466</u>	<u>153,231</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET

31 December 2021

		2021	2020
	Notes	£	£
FIXED ASSETS			
Intangible assets	10	159,417	162,292
Tangible assets	11	676,028	578,118
Investments	12	-	-
		<u>835,445</u>	<u>740,410</u>
CURRENT ASSETS			
Stocks	13	24,952	21,863
Debtors	14	2,598,575	2,312,139
Cash at bank and in hand		1,666,845	1,729,713
		<u>4,290,372</u>	<u>4,063,715</u>
CREDITORS			
Amounts falling due within one year	15	3,353,417	3,654,563
NET CURRENT ASSETS		<u>936,955</u>	<u>409,152</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,772,400</u>	<u>1,149,562</u>
CREDITORS			
Amounts falling due after more than one year	16	(91,275)	(147,837)
PROVISIONS FOR LIABILITIES	20	(74,022)	(32,588)
NET ASSETS		<u>1,607,103</u>	<u>969,137</u>
CAPITAL AND RESERVES			
Called up share capital	21	100	100
Retained earnings	22	1,607,003	969,037
SHAREHOLDERS' FUNDS		<u>1,607,103</u>	<u>969,137</u>

The financial statements were approved by the director and authorised for issue on 23/8/22 and were signed by:



.....
Ms L Connor - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET

31 December 2021

		2021	2020
	Notes	£	£
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	-	-
Investments	12	1,085,400	1,085,400
		<u>1,085,400</u>	<u>1,085,400</u>
CURRENT ASSETS			
Debtors	14	395,993	524,192
Cash at bank		10,470	20,726
		<u>406,463</u>	<u>544,918</u>
CREDITORS			
Amounts falling due within one year	15	608,926	702,626
		<u></u>	<u></u>
NET CURRENT LIABILITIES		<u>(202,463)</u>	<u>(157,708)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>882,937</u>	<u>927,692</u>
CAPITAL AND RESERVES			
Called up share capital	21	100	100
Retained earnings		882,837	927,592
		<u>882,937</u>	<u>927,692</u>
SHAREHOLDERS' FUNDS		<u>882,937</u>	<u>927,692</u>
Company's loss for the financial year		<u>(11,255)</u>	<u>(11,301)</u>

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

The financial statements were approved by the director and authorised for issue on 23/8/22 and were signed by:



Ms L Connor - Director

The notes form part of these financial statements

RES GROUP LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	100	815,806	815,906
Changes in equity			
Total comprehensive income	-	153,231	153,231
Balance at 31 December 2020	100	969,037	969,137
Changes in equity			
Dividends	-	(33,500)	(33,500)
Total comprehensive income	-	671,466	671,466
Balance at 31 December 2021	100	1,607,003	1,607,103

The notes form part of these financial statements

RES GROUP LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY**
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	100	938,893	938,993
Changes in equity			
Total comprehensive income	-	(11,301)	(11,301)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	100	927,592	927,692
	<hr/>	<hr/>	<hr/>
Changes in equity			
Dividends	-	(33,500)	(33,500)
Total comprehensive income	-	(11,255)	(11,255)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	100	882,837	882,937
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

RES GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	410,020	640,306
Interest paid		(9,126)	(16,662)
Interest element of hire purchase payments paid		(10,587)	(16,005)
Tax paid		(23,867)	(8,860)
Net cash from operating activities		366,440	598,779
Cash flows from investing activities			
Purchase of tangible fixed assets		(259,978)	(1,317)
Sale of tangible fixed assets		31,263	23,396
Net cash from investing activities		(228,715)	22,079
Cash flows from financing activities			
Loan repayments in year		(18,361)	(8,652)
Capital repayments in year		(64,532)	(107,905)
Amount introduced by directors		33,500	(475,528)
Amount withdrawn by directors		(151,200)	365,219
Net cash from financing activities		(200,593)	(226,866)
(Decrease)/increase in cash and cash equivalents		(62,868)	393,992
Cash and cash equivalents at beginning of year	2	1,729,713	1,335,721
Cash and cash equivalents at end of year	2	1,666,845	1,729,713

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	815,709	171,438
Depreciation charges	118,040	125,805
(Profit)/loss on disposal of fixed assets	(14,145)	92,282
Finance costs	19,713	32,667
	<u>939,317</u>	<u>422,192</u>
(Increase)/decrease in stocks	(3,089)	61,261
(Increase)/decrease in trade and other debtors	(286,436)	452,313
Decrease in trade and other creditors	(239,772)	(295,460)
Cash generated from operations	<u><u>410,020</u></u>	<u><u>640,306</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	<u>1,666,845</u>	<u>1,729,713</u>

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	<u>1,729,713</u>	<u>1,335,721</u>

The notes form part of these financial statements

RES GROUP LIMITED**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2021****3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank and in hand	1,729,713	(62,868)	1,666,845
	<u>1,729,713</u>	<u>(62,868)</u>	<u>1,666,845</u>
Debt			
Finance leases	(108,252)	64,532	(43,720)
Debts falling due within 1 year	(17,731)	(4,309)	(22,040)
Debts falling due after 1 year	(99,577)	20,083	(79,494)
	<u>(225,560)</u>	<u>80,306</u>	<u>(145,254)</u>
Total	<u>1,504,153</u>	<u>17,438</u>	<u>1,521,591</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

1. STATUTORY INFORMATION

RES GROUP 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 General Information page.

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

The principal activity of the company through the year has continued to be that of a holding company with the principal activities of the subsidiary companies being electrical engineering and the installation and maintenance of air conditioning units and lifts.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the strategic report. The Report of the Director also describes the group's objectives and policies for managing its capital; its financial risk, management objectives and its exposure to credit risk and liquidity risk.

As of 31 December 2021, the group had net assets of £1,607,103 a growth from the 2020 position of £969,137, and net current assets of £936,955 (2020: £409,152). The financial statements have been prepared on a going concern basis. With regard to the current COVID-19 pandemic, there remains some uncertainty on its impact on the company although its operations have been able to continue throughout the pandemic.

The Director believes that the group remains a going concern due to the extensive order book, greener services provided and revised client base. The group welcomed new clients, utilised the services provided on a more local base and strengthened the client base and order book alike. The cash flow has improved due to the consolidation of core trades and is in a position to easily meet the debts due to more streamlined cash control.

The risk of losing any clients is always a concern, but the group has concentrated on building a more diverse client base and offering a more attractive service package, with the aim of limiting any affect on the business should any client no longer require the services provided.

The group's financial forecasts, taking into consideration the current environment, show that the company is expected to continue to make profit and generate positive cashflows giving the company the ability to continue to operate for the foreseeable future.

Based on these facts and the current financial position, forecasts and cash flows of the group, the director has concluded it is appropriate for the financial statements to be prepared on a going concern basis.

Two subsidiaries in the group, RES Lifts Limited and RES Air Limited, have been prepared on a basis other than that of going concern. This is due to those companies having wound down their trade in the year with Ryan Electrical Services & Sons Limited, fulfilling customer requirements instead. This has not resulted in an impairment of assets due to an expected sales value greater than current net book value. All debtors are deemed to be recoverable. This is not considered to impact the overall going concern of the parent company or the group as the trade has simply been transferred between companies, no impact on overall trade is noted or expected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Basis of consolidation

The group's financial statements consolidate the financial statements of RES Group Limited and the following subsidiary undertakings:

Ryan Electrical Services & Sons Ltd

RES Lifts Limited

RES Air Limited

-subsidiary of Ryan Electrical Services & Sons

R E S Maintenance Ltd (dormant)

Intra-group balances and transactions are eliminated fully on consolidation.

RES Air Limited (08436190) is exempt from the requirements of the Companies Act relating to the audit of individual accounts for the year ended 31 December 2021 under Section 479A.

Related party exemption

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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

In the application of the company's accounting policies management is 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 periods.

In the process of applying the company's accounting policies, the directors have made the following critical judgements which are considered to have the most significant effect on the amounts recognised in the financial statements.

Revenue Recognition

Determining whether or not to recognise revenue involves a degree of management judgement. Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion of contract costs incurred for work performed to date as total contract costs, except where this would not be representative of the stage of completion. Various contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that contract costs will exceed contract revenue, the expected loss is recognised as an expense immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable for services provided during the year, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from services is recognised on completion of service, or when those services span the year end date, by reference to the stage of completion at the balance sheet date.

Occasionally retentions are offered and these are included in turnover at the beginning of the retention period.

Work done but not yet invoiced at the balance sheet date is included in gross amounts owed by contract customers within debtors, at the value of the future sales invoice.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

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

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on reducing balance
Computer equipment	- 33.3% on cost and 33% on reducing balance

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Government grants

Grants are recognised under the accruals model. Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, is recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it shall be recognised as deferred income and not deducted from the carrying amount of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell. In respect of work in progress and finished goods, cost includes a relevant proportion of overheads according to the stage of manufacture/completion.

Financial instruments

Financial instruments are recognised at amortised cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Short-term employee benefits are recognised as an expense in the period they are incurred.

The obligations for contributions to defined contribution scheme are recognised as an expense in the period they are incurred. The assets of the scheme are held separately from those of the company in an independent administered fund.

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price 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 case the receivables are stated at cost less impairment losses for bad and doubtful debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Related parties

For the purposes of these financial statements, a party is considered to be related to the company if:

- (i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
- (ii) the company and the party are subject to common control;
- (iii) the party is an associate of the company or a joint venture in which the company is a venture
- (iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.
- (vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	15,270,382	15,852,942
	<u>15,270,382</u>	<u>15,852,942</u>

4. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	2,669,298	3,484,544
Social security costs	274,994	313,209
Other pension costs	98,177	96,010
	<u>3,042,469</u>	<u>3,893,763</u>

The average number of employees during the year was as follows:

	2021	2020
Directors	2	4
Engineering	39	57
Administration	22	35
	<u>63</u>	<u>96</u>

	2021 £	2020 £
Directors' remuneration	130,955	75,474
Directors' pension contributions to money purchase schemes	<u>10,577</u>	<u>116</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases	34,622	30,865
Depreciation - owned assets	97,602	103,901
(Profit)/loss on disposal of fixed assets	(14,145)	92,282
Goodwill amortisation	42,909	28,639
Negative Goodwill amortisation	(40,034)	-
Auditors' remuneration	24,900	24,833
Plant operating leases	60,607	72,351
Government grants	284,969	807,788

Government grants received are government grants in respect of the Coronavirus Job Retention Scheme and first year interest on the Coronavirus Business Interruption Loan.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	(51)	(153)
Bank loan interest	177	5,565
Loan	9,000	11,250
Hire purchase	10,587	16,005
	<u>19,713</u>	<u>32,667</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	102,809	54,050
Deferred tax	41,434	(35,843)
Tax on profit	<u>144,243</u>	<u>18,207</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021	2020
	£	£
Profit before tax	<u>815,709</u>	<u>171,438</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	154,985	32,573
Effects of:		
Expenses not deductible for tax purposes	1,463	5,844
Capital allowances in excess of depreciation	(53,256)	-
Depreciation in excess of capital allowances	-	32,645
Utilisation of tax losses	(4,434)	(17,012)
Adjustments to tax charge in respect of previous periods	4,051	-
Deferred tax	<u>41,434</u>	<u>(35,843)</u>
Total tax charge	<u>144,243</u>	<u>18,207</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2021	2020
	£	£
Ordinary shares of 1 each		
Final	<u>33,500</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

10. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £	Negative Goodwill £	Totals £
COST			
At 1 January 2021 and 31 December 2021	429,086	(142,692)	286,394
AMORTISATION			
At 1 January 2021	185,934	(61,832)	124,102
Amortisation for year	42,909	(40,034)	2,875
At 31 December 2021	228,843	(101,866)	126,977
NET BOOK VALUE			
At 31 December 2021	200,243	(40,826)	159,417
At 31 December 2020	243,152	(80,860)	162,292

11. TANGIBLE FIXED ASSETS**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2021	418,432	38,556	66,947
Additions	-	18,238	-
Disposals	-	-	-
At 31 December 2021	418,432	56,794	66,947
DEPRECIATION			
At 1 January 2021	101,985	21,806	46,849
Charge for year	16,865	10,058	9,377
Eliminated on disposal	-	-	-
At 31 December 2021	118,850	31,864	56,226
NET BOOK VALUE			
At 31 December 2021	299,582	24,930	10,721
At 31 December 2020	316,447	16,750	20,098

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

11. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2021	502,535	17,983	1,044,453
Additions	194,392	-	212,630
Disposals	(69,930)	-	(69,930)
At 31 December 2021	626,997	17,983	1,187,153
DEPRECIATION			
At 1 January 2021	284,287	11,408	466,335
Charge for year	56,706	4,596	97,602
Eliminated on disposal	(52,812)	-	(52,812)
At 31 December 2021	288,181	16,004	511,125
NET BOOK VALUE			
At 31 December 2021	338,816	1,979	676,028
At 31 December 2020	218,248	6,575	578,118

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2021 £	2020 £
Motor vehicles	153,968	172,750

The depreciation charge on these assets for the year was £23,015 (2020: £41,920).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

12. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 January 2021 and 31 December 2021	1,085,400
NET BOOK VALUE	
At 31 December 2021	1,085,400
At 31 December 2020	1,085,400

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Ryan Electrical Services & Sons Ltd

Registered office: Unit 1 Sidings Court, Henry Boot Way, Hull, England, HU4 7DY

Nature of business: Electrical and construction installation

	%
Class of shares:	holding
Ordinary	100.00

Res Lifts Limited

Registered office: Unit 3 Brough Road, South Cave, Brough, England, HU15 2DA

Nature of business: Specialised construction activities

	%
Class of shares:	holding
Ordinary	100.00

Res Air Limited

Registered office: Unit 1 Sidings Court, Henry Boot Way, Hull, England, HU4 7DY

Nature of business: Steam and air conditioning supply

	%
Class of shares:	holding
Ordinary	100.00

Res Air Limited is a 100% subsidiary of Ryan Electrical Services & Sons Ltd, not a direct subsidiary of RES Group Limited.

RES Maintenance Ltd

Registered office: Unit 1 Sidings Court, Henry Boot Way, HU4 7DY

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

RES GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

13. STOCKS

	Group	
	2021	2020
	£	£
Stocks	<u>24,952</u>	<u>21,863</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,153,667	1,710,869	-	-
Amounts owed by group undertakings	-	-	395,993	524,192
Amounts recoverable on contract	366,010	565,739	-	-
Other debtors	-	4,500	-	-
Prepayments and accrued income	<u>78,898</u>	<u>31,031</u>	<u>-</u>	<u>-</u>
	<u>2,598,575</u>	<u>2,312,139</u>	<u>395,993</u>	<u>524,192</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 17)	22,040	17,731	-	-
Hire purchase contracts (see note 18)	31,939	59,992	-	-
Trade creditors	2,155,967	2,330,206	-	-
Amounts owed to group undertakings	1,128	-	248,848	224,848
Tax	124,132	45,190	-	-
Social security and other taxes	49,626	70,659	-	-
VAT	248,842	354,163	-	-
Other creditors	12,886	12,023	-	-
Directors' current accounts	357,828	475,528	357,828	475,528
Accruals and deferred income	<u>349,029</u>	<u>289,071</u>	<u>2,250</u>	<u>2,250</u>
	<u>3,353,417</u>	<u>3,654,563</u>	<u>608,926</u>	<u>702,626</u>

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

	Group	
	2021	2020
	£	£
Bank loans (see note 17)	<u>79,494</u>	<u>99,577</u>
Hire purchase contracts (see note 18)	<u>11,781</u>	<u>48,260</u>
	<u>91,275</u>	<u>147,837</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>22,040</u>	<u>17,731</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>22,040</u>	<u>99,577</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>57,454</u>	<u>-</u>

Ryan Electrical Services & Sons Limited has a mortgage for the property it owns. The mortgage is secured by a fixed charge over the freehold property.

The mortgage is subject to monthly capital repayments and interest is charged at 3.5% over the Bank of England base rate.

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	31,939	59,992
Between one and five years	<u>11,781</u>	<u>48,260</u>
	<u>43,720</u>	<u>108,252</u>

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	43,825	107,842
Between one and five years	9,981	108,230
In more than five years	<u>4,992</u>	<u>-</u>
	<u>58,798</u>	<u>216,072</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

18. LEASING AGREEMENTS - continued

Finance lease payments represent rentals payable by the group for certain motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The net obligations under finance leases are secured against the assets to which they relate.

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020
	£	£
Bank loans	101,534	117,308
Hire purchase contracts	43,720	108,252
	<u>145,254</u>	<u>225,560</u>

The hire purchase liabilities are secured on the assets to which they relate.

The company has a mortgage for the freehold property it owns. The mortgage is secured by a fixed charge over the freehold property.

20. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020
	£	£
Deferred tax	<u>74,022</u>	<u>32,588</u>
Group		
		Deferred tax
		£
Balance at 1 January 2021		32,588
Provided during year		<u>41,434</u>
Balance at 31 December 2021		<u>74,022</u>

RES GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
for the Year Ended 31 December 2021**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
100	Ordinary	1	<u>100</u>	<u>100</u>

Ordinary shares have full rights to receive notice of, attend and vote at general meetings. One share carries one vote and full rights to dividends and capital distributions.

22. RESERVES**Group**

	Retained earnings £
At 1 January 2021	969,037
Profit for the year	671,466
Dividends	<u>(33,500)</u>
At 31 December 2021	<u>1,607,003</u>

23. RELATED PARTY DISCLOSURES

During the year, total dividends of £33,500 were paid to the directors.

As at 31 December 2021 the group owed £357,828 (2020: £475,528) to the director of the entity. Interest is paid at the market rate and the loan aged as appropriate under the new agreement.

During the year, a total of key management personnel compensation of £141,532 (2020 - £316,168) was paid.