

Company Registration Number: 00702171



Ranco Controls Limited

Unaudited Financial Statements

For the year ended

31 December 2021

RANCO CONTROLS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

CONTENTS	PAGE
Officers and professional advisers	1
Directors report	2
Statement of comprehensive income	4
Statement of changes in equity	5
Statement of cash flows	7
Notes to the financial statements	9

RANCO CONTROLS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	S J Harris G D Turner
Company secretary	Hampden Legal Plc
Registered office	Hampden House Great Hampden Great Missenden Buckinghamshire England HP16 9RD
Registered number	00702171 (England & Wales)

RANCO CONTROLS LIMITED

DIRECTORS REPORT

YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

DIRECTORS

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

S J Harris
G D Turner

During the year the company maintained liability insurance for its Directors and Officers.

DIRECTORS RESPONSIBILITIES STATEMENT

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), including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

RANCO CONTROLS LIMITED


DIRECTORS REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2021

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the directors

DocuSigned by:

B43AF48A9E2B443

S J Harris

For and on behalf of Hampden Legal Plc
Company secretary

Approved by the Directors on 4 May 2022

RANCO CONTROLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
TURNOVER		–	–
Administrative expenses		(65,443)	–
OPERATING LOSS	4	(65,443)	–
Provision against reorganisation costs	14	–	(86,062)
		(65,443)	(86,062)
Income from other fixed asset investments	6	60,571	62,114
Interest receivable and similar income	7	9,912	–
Revaluation of listed investments		23,889	24,845
Interest payable and similar expenses	8	(843)	(277)
PROFIT BEFORE TAXATION		28,086	620
Tax on profit	9	(8,734)	–
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		19,352	620

All the activities of the company are from continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

RANCO CONTROLS LIMITED
STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	10	622,421	1,310,686
CURRENT ASSETS			
Debtors	11	752,416	400,000
Cash at bank and in hand		27,652	173,348
		<u>780,068</u>	<u>573,348</u>
CREDITORS: Amounts falling due within one year	12	<u>(6,300)</u>	<u>(72,056)</u>
NET CURRENT ASSETS		<u>773,768</u>	<u>501,292</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,396,189</u>	<u>1,811,978</u>
PROVISIONS	14	<u>(1,376,216)</u>	<u>(1,811,357)</u>
NET ASSETS		<u>19,973</u>	<u>621</u>
CAPITAL AND RESERVES			
Called up share capital	15	1	1
Fair value reserve	16	45,966	24,845
Profit and loss account	16	<u>(25,994)</u>	<u>(24,225)</u>
SHAREHOLDERS FUNDS		<u>19,973</u>	<u>621</u>


The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

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

These financial statements were approved by the board of directors and authorised for issue on 4 May 2022, and are signed on behalf of the board by:

DocuSigned by:

 F1AFE87A3B464C2...
 G D Turner
 Director

Company registration number: 00702171

The notes on pages 9 to 15 form part of these financial statements.

RANCO CONTROLS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Fair value reserve £	Profit and loss account £	Total £
AT 1 JANUARY 2020	1	–	–	1
Profit for the year	–	–	620	620
Transfer between reserves	–	24,845	(24,845)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	24,845	(24,225)	620
AT 31 DECEMBER 2020	1	24,845	(24,225)	621
Profit for the year	–	–	19,352	19,352
Transfer between reserves	–	21,121	(21,121)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	21,121	(1,769)	19,352
AT 31 DECEMBER 2021	1	45,966	(25,994)	19,973

The notes on pages 9 to 15 form part of these financial statements.

RANCO CONTROLS LIMITED**STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	19,352	620
<i>Adjustments for:</i>		
Impairment of investments	65,550	–
Income from fixed asset investments	(60,571)	(62,114)
Interest receivable and similar income	(9,912)	–
Revaluation of listed investments	(23,889)	(24,845)
Interest payable and similar income	843	277
Tax on profit	8,734	–
<i>Changes in:</i>		
Trade and other creditors	(2,419)	(1,781)
Provisions and employee benefits	(443,875)	(17,023)
Cash generated used in operations	(446,187)	(104,866)
Income from other fixed asset investments	60,571	62,114
Interest paid	(843)	(277)
Interest received	9,912	–
Net cash used in operating activities	(376,547)	(43,029)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of other investments	(577,308)	(1,285,841)
Proceeds from sale of investments	1,223,912	–
Net cash from/(used in) financing activities	646,604	(1,285,841)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in loans from group undertakings	(63,337)	(536,662)
Increase in loans to group undertakings	(352,416)	(400,000)
Net cash used in financing activities	(415,753)	(936,662)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(145,696)	(2,265,532)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	173,348	2,438,880
CASH AND CASH EQUIVALENTS AT END OF YEAR	27,652	173,348

The notes on pages 9 to 15 form part of these financial statements.

RANCO CONTROLS LIMITED
STATEMENT OF CASH FLOWS *(continued)*
YEAR ENDED 31 DECEMBER 2021

NOTES TO THE STATEMENT OF CASH FLOWS

I. ANALYSIS OF CHANGES IN NET DEBT

	At 01.12.21	Cash flows	At 31.12.21
Cash and cash equivalents			
Cash at bank and in hand	173,348	(145,696)	27,652
	<u>173,348</u>	<u>(145,696)</u>	<u>27,652</u>
Total	<u>173,348</u>	<u>(145,696)</u>	<u>27,652</u>

The notes on pages 9 to 15 form part of these financial statements.

RANCO CONTROLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Ranco Controls Limited is a limited liability company incorporated in England. The address of the registered office and principal place of business is disclosed on the officers and professional advisors' page.

The principal activity of the company during the year was that of the run off of a financial guarantee company.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statement are rounded to the nearest £ unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain items as specified in the accounting policies below.

In light of the rapid global spread of the Coronavirus "COVID-19" since early 2020, the Directors have reviewed and stress tested projections and budgets for the next twelve months. Following this review, the Directors consider there to be no impact on the Company's ability to act as a going concern.

Taxation

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

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

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

A net deferred tax asset is regarded as recoverable and therefore recognised, only when it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted by the balance sheet date.

RANCO CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES *(continued)*

Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are recognised as a liability in the statement of financial position and the relevant amount included as an expense in the statement of comprehensive income.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the management's current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

Financial instruments

The company has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its financial instruments.

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of income and retained earnings. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Impairment of financial assets

At each period end date, the company reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount, with the impairment recognised immediately in the statement of comprehensive income.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Listed investments

Listed investments are initially recognised at fair value which is usually the transaction price (excluding any transaction costs). Subsequently, the investments are measured at fair value through profit or loss except for those shares which cannot be publicly traded or where fair value cannot be reliably measured.

RANCO CONTROLS LIMITED**NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2021****2. ACCOUNTING POLICIES** *(continued)***Investments** *(continued)*

If reliable measurement of fair value cannot be obtained or this measure is no longer available, the investment's cost is deemed to be the fair value at the last point to which a reliable measurement was obtained. These instruments are recognised at cost less impairment until a reliable measure of fair value becomes available.

Other investments

Other investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Cash at bank

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 both current and future periods.

The areas for which estimation has been applied are considered to be in calculating impairments and provisions. Although these areas are subject to judgement, they are not considered to be subject to significant estimation.

4. OPERATING LOSS

Operating loss is stated after charging:

	2021	2020
	£	£
Fees payable for the audit of the financial statements	–	1,200
Impairment of fixed asset investment	65,550	–

5. STAFF COSTS

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

	2021	2020
	No	No
Management staff	2	2

RANCO CONTROLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2021

6. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Income from other fixed asset investments	<u>60,571</u>	<u>62,114</u>

7. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Interest on loans and receivables	<u>9,912</u>	<u>—</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Other interest payable and similar expenses	<u>843</u>	<u>277</u>

9. TAXATION**Major components of tax charge**

	2021	2020
	£	£
Deferred tax:		
Origination and reversal of timing differences	<u>8,734</u>	<u>—</u>
Tax on profit	<u>8,734</u>	<u>—</u>

Reconciliation of tax charge

The tax assessed on the profit for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit before taxation	<u>28,086</u>	<u>620</u>
Profit by rate of tax	5,336	118
Effect of revenue exempt from tax	(84,336)	(3,234)
Group relief	83,013	—
Unutilised tax losses	<u>4,721</u>	<u>3,116</u>
Tax on profit	<u>8,734</u>	<u>—</u>

Factors that may affect future tax charge

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets, not recognised as they are unlikely to be realised in the foreseeable future, are in respect of tax losses unutilised of £nil (2020: £113,095).

The standard rate of corporation tax prevailing during the period was 19%.

RANCO CONTROLS LIMITED**NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2021****9. TAXATION** *(continued)*

On 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020. In the Budget of 3 March 2021 it was announced that the main rate of corporation tax would increase to 25% from 1 April 2023. This has not yet been substantively enacted. Therefore, the deferred tax balances included within the accounts have been calculated with reference to the rate of 19% (2019: 19%).

There are no expiry dates in respect of the above unused tax losses.

10. INVESTMENTS

	Loans £	Cash deposits	Listed investments £	Total £
COST				
At 1 January 2021	786,118	6,233	518,335	1,310,686
Additions	500,000	1,638	75,670	577,308
Disposals	(1,150,398)	—	(73,514)	(1,223,912)
Revaluations	—	—	23,889	23,889
At 31 December 2021	135,720	7,871	544,380	687,971
IMPAIRMENT				
At 1 January 2021	—	—	—	—
Impairment during the year	65,550	—	—	65,550
At 31 December 2021	65,550	—	—	65,550
NET BOOK VALUE				
At 31 December 2021	70,170	7,871	544,380	622,421
At 31 December 2020	786,118	6,233	518,335	1,310,686

In respect of the listed investments stated at market value, the comparable historical costs are as follows:

	2021 £	2020 £
Historical cost of listed investments	498,414	493,490

11. DEBTORS

	2021 £	2020 £
Amounts owed from group undertakings	752,416	400,000

12. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	—	63,337
Accruals and deferred income	6,300	8,719
	6,300	72,056

RANCO CONTROLS LIMITED**NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2021****13. DEFERRED TAX**

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

	2021	2020
	£	£
Included in provisions (note 14)	<u>8,734</u>	–

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

	2021	2020
	£	£
Deferred tax on fixed asset investments	<u>8,734</u>	–

14. PROVISIONS

	Deferred tax (note 13)	Claims Provision £	Cost Provision £	Total £
At 31 December 2020	–	1,419,977	391,380	1,811,357
Utilised against expenses	–	(341,484)	(102,391)	(443,875)
Deferred tax on fixed asset investments	8,734	–	–	8,734
At 31 December 2021	<u>8,734</u>	<u>1,078,493</u>	<u>288,989</u>	<u>1,376,216</u>

The above provision was set up for the expected professional expenses for legal, actuarial and other services associated with the active management of the liabilities associated to claims. The costs to be allocated to this provision will be incurred over the period until after year end 2049.

15. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2021		2020	
	No	£	No	£
Ordinary shares of £0.00001 each	<u>100,000</u>	<u>1</u>	<u>100,000</u>	<u>1</u>

16. RESERVES

Called-up share capital – This represents the nominal value of shares that have been issued.

Fair value reserve – This reserve records the value of asset revaluations and fair value movements on assets recognised in the profit and loss account.

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

RANCO CONTROLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

17. RELATED PARTY TRANSACTIONS

Disclosure of transactions with entities that are part of the group is not required as 100% of the voting rights of the company are controlled within the group. No other material related party transactions were undertaken during the year.

During the year the company invested £500,000 (2020: £786,118) in a secured and insured crowd funding loan through Archover Limited's lending platform, a non-wholly owned fellow subsidiary of the Hampden Group.

18. ULTIMATE PARENT COMPANY

The directors consider Hampden Plc to be the company's immediate parent company and Hampden Holdings Limited to be the company's ultimate parent company.

The largest and smallest group in which this company's information is consolidated is that of Hampden Holdings Limited which is incorporated in England and Wales and will be drawing up consolidated financial statements to 31 December 2021. The principal place of business for Hampden Holdings Limited is:

Hampden House
Great Hampden
Great Missenden
Buckinghamshire
HP16 9RD

Copies of the consolidated financial statements of Hampden Holdings Limited can be obtained from the above address.