

Company Registration Number 07323245

HENSALL GROUP LIMITED  
FINANCIAL STATEMENTS  
31 DECEMBER 2022



**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

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## **HENSALL GROUP LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	C L Bond A H Jamison
<b>Registered number</b>	07323245
<b>Registered office</b>	Roall Hall Roall Lane Eggborough North Yorkshire DN14 0NY
<b>Independent auditor</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS
<b>Bankers</b>	Yorkshire Bank Plc 81 Carlton Street Castleford WF10 1BW

## **HENSALL GROUP LIMITED**

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The following pages do not form part of the statutory financial statements:

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## **HENSALL GROUP LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Introduction**

The Directors present the Group Strategic Report for Hensall Group Limited for the year ended 31 December 2022.

#### **Business review**

The Group's principal activity continued to be that of Building Services Design & Installation Contractors. In the main we were able to continue to avoid the risky competitive tendering market due to the return of our framework clients and negotiated business clients.

A new challenge that we had to overcome in 2022 was the unprecedented levels of inflation that impacted the cost of materials throughout the year. We updated our quotation terms and conditions in mid 2021 in order to overcome the issue and the management of these price changes has been a constant challenge throughout the year.

The positive numbers in 2022 also ensured that cash reserves are strong with the Group generating positive cash flows. We have also benefitted from a new management and QA system through the cloud-based platform Monday.com.

At the time of writing this review, we expect the current year to show continued growth and result in a turnover in excess of £35 million with no detrimental effect on our margins. A substantial proportion of this work has already been secured.

The shareholders are fully committed to the Group and they will ensure that the cash position and business resilience remains strong. Our primary aim is to develop a group of profitable, growing and robust businesses that can continue to enhance stakeholder value on a year by year basis.

During the year the Trade, Business, Assets and Employees of our Subsidiary Company Hensall Intelligent Building Energy Management Solutions Ltd were hived across into Hensall Mechanical Services Ltd and this division will continue to trade in the new environment.

We also continue to demonstrate and develop our de-carbonisation expertise in which we work alongside mainly public sector clients to de-carbonise some of their key buildings in a cost-effective professional manner that delivers enduring benefits for many years into the future.

#### **Principal risks and uncertainties**

Operational risks - there is a risk that new projects are not secured with existing customers due to the highly competitive nature of the market. The Directors mitigate this risk by ensuring the Group provides unrivalled service levels, and cost control in order to provide competitive pricing which results in excellent value for money for its customers.

Financial and cashflow risk management - financial risks are managed through strict internal management controls and accurate timely management information. Robust cashflow forecasting is updated on a weekly basis so management are aware of any potential problems before they occur. Individual projects are closely and regularly monitored by management to identify potential issues and ensure that projects are delivered at a margin that is acceptable to the directors.

## HENSALL GROUP LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### Financial key performance indicators

Management use a range of performance measures to monitor and manage the business. Some of the key performance measures are set out below.

	<b>Year Ended 2022</b>	<i>Year Ended 2021</i>
Turnover	<b>24,672,610</b>	<i>17,772,073</i>
Gross Profit	<b>4,642,226</b>	<i>2,896,344</i>
Gross Profit Margin	<b>18.8%</b>	<i>16.3%</i>
Operating Profit	<b>1,077,952</b>	<i>890,763</i>

The Group acts as the main contractor for services provided to customers, however some of the electrical work is subcontracted to HMS Electrical Systems Limited and this work only attracts a small margin in order for the Group to remain competitive. The total gross margin achieved in any given financial period is impacted by the level of turnover generated from this electrical work as a proportion of total turnover for that period.

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## **HENSALL GROUP LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Business strategy**

##### **Strategic objectives**

To operate nationally with satellite offices strategically located throughout the UK: during the year we have opened a new London office just off Oxford Street;

To stand out amongst competitors within the UK Construction industry as an organisation that provides consistent value to all Customers, Employees, Suppliers & Lenders beyond what they expect; and

To achieve the following standards:

1. We focus in all that we do to ensure that health & wellbeing of all our employees and those we come into contact with is our number one priority;
2. We cherish our Brand, our identity and use it consistently throughout the Group;
3. We provide guidance for all employees, new and old, as to what is expected of them and how it is expected to be achieved;
4. We provide our clients, new and old, a quality of service, technical expertise and installations that each and every one of us is proud of;
5. We invest in people and ensure that our workforce is highly trained with continuous development within all departments;
6. We are consistent in everything that we do;
7. We minimise our impact on the environment;
8. We are accountable if we get it wrong;
9. We learn from our mistakes; and
10. We exceed our Clients' expectations.

##### **Organisational strategy**

We have implemented an organisational structure that clearly defines:

- Who does what;
- Who is accountable for what;
- Chains of command;
- Opportunities for progression;
- Shareholders roles outside of the business; and
- Employees roles within the business.

##### **Management strategy**

We have implemented a management system that delivers results by:

- Producing an operations manual complete with rules & checklists for every task that we do;
- Management development – the process through which we create our management system, & teach our managers how to use it;

## **HENSALL GROUP LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

- Always remembering that an effective prototype is a business that finds & keeps its customers, profitably, better than any other; and
- Making sure that we hear our customers without them saying a word.

#### **People strategy**

The success of the Group depends on our people. The skills and commitment of our employees and supply chain are fundamental to our business. We are grateful for the hard work and dedication of our employees and the supply chain.

We created an environment for our people where "doing it" is more important to them than "not doing it". Where "doing it well" becomes a way of life.

We achieved this by:

- Always taking our people seriously;
- Always communicating to our staff the idea of what this organisation is trying to do;
- Ensuring our people understand the idea behind the work that they are being asked to do;
- Communicating to our people that the work that we do is a reflection of who we are; and
- Ensuring that all of our people work towards being the best that they can be at the tasks that they are accountable for.

We have now recruited all of the additional key senior personnel that we will need in order to deliver the £35million + level of turnover that is mentioned above and which we expect to achieve in 2023.

#### **Health and safety**

We are proud of our excellent Health & Safety record and all employees put the health & wellbeing of all those that we come into contact with at the top of our priority list on a daily basis.

We are Safe Contractor accredited and our site team all carry as a minimum the following training certificates:

- CSCS Skill Cards;
- PASMA;
- Manual Handling;
- Abrasive Wheels;
- Asbestos Awareness;
- Face Fit;
- F-Gas;
- Health & Safety Awareness; and
- First Aid

Using Sentrysm.co.uk Health and Safety Management we ensure that Job Specific Risk Assessments and Method Statements are produced and issued to clients well in advance of the proposed site visits. All operatives also have the ability using smart phone technology to produce and issue, on the spot dynamic risk assessments for any unforeseen or reactive tasks that they may face.

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**HENSALL GROUP LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Client diversity**

Our client base consists of blue chip companies spread across a wide range of industries with much of our work coming from negotiated contracts and repeat business from clients that want to continue to work with Hensall due to the level of service and quality of installations that we provide.

Our clients are spread across sectors such as:

Ministry of Justice; National Probation Service; Education; Health & Fitness; Local Authority; Retail; Leisure; Commercial Office; and Residential.

This report was approved by the board and signed on its behalf.



**C L Bond**  
Director

Date: 17/08/2023



## **HENSALL GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK 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 Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £941,382 (2021 - £795,682).

Dividends paid during the financial period amounted to £575,000 (2021 - £9,753).

#### **Directors**

The directors who served during the year were:

C L Bond  
A H Jamison

#### **Future developments**

Writing this note in June 2023, the construction industry is still buoyant and the Group is on track to achieve its primary aim. Projected sales by the end of 2023 are around £35 million, the vast majority of which has already been secured. We expect further additional growth in 2024.

#### **Research and development activities**

The principal activity of the Group is the design, development and integration of unique and novel mechanical and electrical services. Through the full project lifecycle, the Group seeks to develop robust and maintainable systems to meet strict client requirements. This work is conducted across several key sectors such as healthcare, education, commercial and leisure applications, ensuring highly reliable and flexible system-level solutions are developed. This is encapsulated through the expert knowledge retained within the Group for application in critical services such as mechanical, electrical BIM modelling and Building Energy Management systems. This retained knowledge allows the Group to undertake non-routine, challenging projects across all sectors thereby progressing the current state of the art through these development activities.

**HENSALL GROUP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Qualifying third party indemnity provisions**

The Group had directors' and officers' indemnity insurance in place throughout the year.

**Matters covered in the Group Strategic Report**

Certain information is not shown in the Directors' Report because it is shown in the Group Strategic Report under s414C(11). The mandatory disclosures in relation to financial key performance indicators and the principle risks and uncertainties of the Group are considered by the Directors to be of strategic importance and have therefore been included in the Group Strategic Report.

**Going concern**

These financial statements have been prepared on a going concern basis. The Directors, having considered the financial position of the Company and Group for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern.

Accordingly the Directors have a reasonable expectation that the Group will continue in operational existence for the foreseeable future and thus adopt the going concern basis of accounting in preparing the financial statements.

**Disclosure of information to auditor**


Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Auditor**

The auditor, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
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**C L Bond**  
Director

Date: 17/08/2023

## **HENSALL GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENSALL GROUP LIMITED**

#### **Opinion**

We have audited the financial statements of Hensall Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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's affairs as at 31 December 2022 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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 directors' 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 or 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 directors with respect to going concern are described in the relevant sections of this report.

## **HENSALL GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENSALL GROUP LIMITED (CONTINUED)**

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

#### **Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are 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 directors determine is 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 directors are 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

## HENSALL GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENSALL GROUP LIMITED (CONTINUED)

#### Auditor's 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 an Auditor's Report 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any *indications of non-compliance throughout our audit; and*
- Considering the risk of acts by the Group and the parent Company company which were contrary to applicable laws and regulations, including fraud.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue cut-off, contract accruals, contract debtor provisions and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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**HENSALL GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENSALL GROUP LIMITED (CONTINUED)**

**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 an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Osbourne (Senior Statutory Auditor)  
for and on behalf of

**Armstrong Watson Audit Limited**  
Chartered Accountants & Statutory Auditors  
Leeds

Date: 17/08/2023

# HENSALL GROUP LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	24,672,610	17,772,073
Cost of sales		(20,030,384)	(14,875,729)
<b>Gross profit</b>		<b>4,642,226</b>	<b>2,896,344</b>
Administrative expenses		(3,564,274)	(2,014,483)
Other operating income	5	-	8,902
<b>Operating profit</b>	6	<b>1,077,952</b>	<b>890,763</b>
Interest payable and similar expenses	10	(22,331)	(28,414)
<b>Profit before taxation</b>		<b>1,055,621</b>	<b>862,349</b>
Tax on profit	11	(114,239)	(66,667)
<b>Profit for the financial year</b>		<b>941,382</b>	<b>795,682</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		941,382	795,682
		<b>941,382</b>	<b>795,682</b>

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 19 to 37 form part of these financial statements.

**HENSALL GROUP LIMITED**  
**REGISTERED NUMBER: 07323245**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	777,024	870,267
Tangible assets	14	733,628	442,367
Investments	15	438	438
		<u>1,511,090</u>	<u>1,313,072</u>
<b>Current assets</b>			
Stocks	17	16,830	16,830
Debtors: amounts falling due within one year	18	6,354,545	5,366,795
Cash at bank and in hand	19	3,575,297	2,584,979
		<u>9,946,672</u>	<u>7,968,604</u>
Creditors: amounts falling due within one year	20	(9,430,655)	(7,733,135)
<b>Net current assets</b>		<u>516,017</u>	<u>235,469</u>
<b>Total assets less current liabilities</b>		<u>2,027,107</u>	<u>1,548,541</u>
Creditors: amounts falling due after more than one year	21	(401,393)	(364,044)
<b>Provisions for liabilities</b>			
Deferred taxation	24	(78,181)	(3,346)
		<u>(78,181)</u>	<u>(3,346)</u>
<b>Net assets</b>		<u><u>1,547,533</u></u>	<u><u>1,181,151</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	71,001	71,001
Profit and loss account	26	1,476,532	1,110,150
<b>Equity attributable to owners of the parent Company</b>		<u><u>1,547,533</u></u>	<u><u>1,181,151</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

SL

**C L Bond**

Director

Date: 17/08/2023

The notes on pages 19 to 37 form part of these financial statements.



**HENSALL GROUP LIMITED**  
**REGISTERED NUMBER: 07323245**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	350,000	350,000
Investments	15	4,208,032	4,208,032
		<u>4,558,032</u>	<u>4,558,032</u>
<b>Current assets</b>			
Cash at bank and in hand	19	34,337	58,750
		<u>34,337</u>	<u>58,750</u>
Creditors: amounts falling due within one year	20	(4,406,955)	(4,535,296)
<b>Net current liabilities</b>		<u>(4,372,618)</u>	<u>(4,476,546)</u>
<b>Total assets less current liabilities</b>		<u>185,414</u>	<u>81,486</u>
<b>Net assets</b>		<u><u>185,414</u></u>	<u><u>81,486</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	71,001	71,001
Profit and loss account brought forward		10,485	9,349
Profit for the year		678,928	10,889
Other changes in the profit and loss account		(575,000)	(9,753)
		<u>114,413</u>	<u>10,485</u>
Profit and loss account carried forward		<u><u>185,414</u></u>	<u><u>81,486</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

CL

**C L Bond**  
Director

Date: 17/08/2023

The notes on pages 19 to 37 form part of these financial statements.

# HENSALL GROUP LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	<b>71,001</b>	<b>324,221</b>	<b>395,222</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	795,682	795,682
<b>Total comprehensive income for the year</b>	-	795,682	795,682
Dividends: Equity capital	-	(9,753)	(9,753)
<b>Total transactions with owners</b>	-	(9,753)	(9,753)
<b>At 1 January 2022</b>	<b>71,001</b>	<b>1,110,150</b>	<b>1,181,151</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	941,382	941,382
<b>Total comprehensive income for the year</b>	-	941,382	941,382
Dividends: Equity capital	-	(575,000)	(575,000)
<b>Total transactions with owners</b>	-	(575,000)	(575,000)
<b>At 31 December 2022</b>	<b>71,001</b>	<b>1,476,532</b>	<b>1,547,533</b>

The notes on pages 19 to 37 form part of these financial statements.

**HENSALL GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	<b>71,001</b>	<b>9,349</b>	<b>80,350</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	10,889	10,889
	-	10,889	10,889
<b>Total comprehensive income for the year</b>			
Dividends: Equity capital	-	(9,753)	(9,753)
	-	(9,753)	(9,753)
<b>Total transactions with owners</b>			
<b>At 1 January 2022</b>	<b>71,001</b>	<b>10,485</b>	<b>81,486</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	678,928	678,928
	-	678,928	678,928
<b>Total comprehensive income for the year</b>			
Dividends: Equity capital	-	(575,000)	(575,000)
	-	(575,000)	(575,000)
<b>Total transactions with owners</b>			
<b>At 31 December 2022</b>	<b>71,001</b>	<b>114,413</b>	<b>185,414</b>

The notes on pages 19 to 37 form part of these financial statements.

**HENSALL GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	941,382	795,682
<b>Adjustments for:</b>		
Amortisation of intangible assets	93,243	93,243
Depreciation of tangible assets	103,183	63,110
Loss on disposal of tangible assets	(18,137)	50,000
Government grants	-	(8,902)
Interest paid	22,330	28,414
Taxation charge	114,239	66,667
Decrease in stocks	-	8,800
(Increase) in debtors	(964,737)	(3,708,562)
Increase in creditors	1,553,915	4,193,966
Corporation tax received	301,361	22,772
<b>Net cash generated from operating activities</b>	<b>2,146,779</b>	<b>1,605,190</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(394,427)	(30,079)
Sale of tangible fixed assets	19,009	-
Sale of investment properties	-	250,000
Government grants received	-	8,902
HP interest paid	(9,849)	(10,315)
<b>Net cash from investing activities</b>	<b>(385,267)</b>	<b>218,508</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(381,906)	(310,383)
Repayment of/new finance leases	198,193	(20,920)
Dividends paid	(575,000)	(9,753)
Interest paid	(12,481)	(18,099)
<b>Net cash used in financing activities</b>	<b>(771,194)</b>	<b>(359,155)</b>

**HENSALL GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Net increase in cash and cash equivalents</b>	<b>990,318</b>	<b>1,464,543</b>
Cash and cash equivalents at beginning of year	<b>2,584,979</b>	<b>1,120,436</b>
<b>Cash and cash equivalents at the end of year</b>	<b>3,575,297</b>	<b>2,584,979</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>3,575,297</b>	<b>2,584,979</b>
	<b>3,575,297</b>	<b>2,584,979</b>

## **HENSALL GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. General information**

Hensall Group Limited ("the Company") is a private company limited by shares incorporated in England and Wales, registered Company number 07323245. The address of its registered office and principal place of business is Roall Hall, Roall Lane, Eggborough, Goole, North Yorkshire, DN14 0NY.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Group and Company operates.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

*The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).*

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **2.3 Going concern**

These financial statements have been prepared on a going concern basis. The Directors, having considered the financial position of the Group and the Company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Group or Company to continue as a going concern.

Accordingly the Directors have a reasonable expectation that the Group and Company will continue in operational existence for the foreseeable future and thus adopt the going concern basis of accounting in preparing the financial statements.

## **HENSALL GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

##### **2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

##### **Rendering of services**

Revenue 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 revenue can be measured reliably;
- it is probable that the Group 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; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The stage of completion of the contract at the end of the reporting period is measured by reference to the certified value of works completed compared to the total contract value.

##### **2.5 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

##### **2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

##### **2.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.8 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2. Accounting policies (continued)

##### 2.9 Pensions

###### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

##### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.11 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.



## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2. Accounting policies (continued)

##### 2.12 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Freehold property	- 2% straight line
Plant and machinery	- 10% and 33.33% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 15% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods 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 disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.13 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

##### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

##### 2.15 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

## **HENSALL GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

##### **2.16 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.

##### **2.17 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### **2.18 Creditors**

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

##### **2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

##### **2.20 Financial instruments**

The Group 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, loans to related parties and investments in ordinary shares.

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 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, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Consolidated Statement of Comprehensive Income.

## **HENSALL GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

##### **2.20 Financial instruments (continued)**

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 Group would receive for the asset if it were to be sold at the reporting date.

##### **2.21 Termination benefits**

Termination benefits are recognised immediately in the Consolidated Statement of Comprehensive Income at the point where the Group is demonstrably committed to the termination.

##### **2.22 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.

## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

##### Critical judgements in applying the Group's accounting policies

The critical judgements that the Directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements:

##### (i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned. There have been no indicators of impairments identified during the current financial period.

##### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Recoverability of retentions receivable and amounts recoverable on contracts

The Group establishes a provision for all receivables that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

##### (ii) Estimated profitability of ongoing contracts

The nature of the Group's business results in the requirement for estimations into the potential future profitability of contracts in progress at the period-end. These estimations will determine the level of costs that are accrued at the period-end in order to recognise the appropriate amount of profit on each outstanding project. When estimating future profitability of ongoing contracts the Group uses a range of information available to it such as approved contract value and variations, total costs booked to the job plus an estimate of costs to complete the contract using estimated bills of materials, labour and any other costs specific to a particular contract. Management estimate the stage of completion of ongoing contracts by reference to the certified value of work as a percentage of the total agreed contract value.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Mechanical and electrical contract works	24,672,610	17,772,073
	<u>24,672,610</u>	<u>17,772,073</u>

All turnover arose within the United Kingdom.

# HENSALL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 5. Other operating income

	2022 £	2021 £
Government grants receivable	-	8,902
	<u>-</u>	<u>8,902</u>

Government grants receivable represent amounts claimed from the UK Government in connection with the Furlough Scheme introduced in March 2020. The scheme was introduced in an attempt to support employment levels during a time where national restrictions resulted in the Group having to cease operations for a lengthy period of time and it was thus reliant on this support to enable it to continue to pay its employees and maintain its employment levels.

### 6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Research & development charged as an expense	738,122	497,638
Depreciation of tangible fixed assets	62,681	63,110
Amortisation of intangible assets, including goodwill	93,243	93,243
Other operating lease rentals	43,463	36,764
Defined contribution pension cost	42,616	36,527
	<u>978,125</u>	<u>727,282</u>

### 7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	24,700	30,000

## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	2,056,370	1,647,644	-	-
Social security costs	206,346	157,803	-	-
Cost of defined contribution scheme	43,582	36,527	-	-
	<u>2,306,298</u>	<u>1,841,974</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Site staff	20	15
Sales, tendering and design	16	12
Administration	5	7
	<u>41</u>	<u>34</u>

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL)

#### 9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	91,939	81,675
Group contributions to defined contribution pension schemes	9,366	2,710
	<u>101,305</u>	<u>84,385</u>

During the year ended 31 December 2022 there were benefits accruing to 2 (2021 - 2) directors in respect of defined contribution pension schemes.

During the year ended 31 December 2022 the Group paid termination benefits of £Nil (2021 - £Nil) to Directors of group companies.

The directors of the business are considered to be the key management personnel.

# HENSALL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	12,480	18,099
Other loan interest payable	2	1
Finance leases and hire purchase contracts	9,849	10,314
	<u>22,331</u>	<u>28,414</u>

### 11. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	14,263	93,038
Adjustments in respect of previous periods	24,964	(16,036)
	<u>39,227</u>	<u>77,002</u>
<b>Total current tax</b>	<u>39,227</u>	<u>77,002</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	79,048	(4,691)
Changes to tax rates	-	1,930
Adjustment in respect of prior periods	(4,036)	(7,574)
<b>Total deferred tax</b>	<u>75,012</u>	<u>(10,335)</u>
<b>Tax on profit</b>	<u>114,239</u>	<u>66,667</u>

## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11. Taxation (continued)

##### **Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>1,055,622</u>	<u>862,349</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	200,568	163,846
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	(531)	9,194
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	61,920	37,727
Adjustments to tax charge in respect of prior periods	24,964	(16,038)
Adjustments to deferred tax charge in respect of prior periods	4,683	(7,572)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(182,316)	(121,296)
Remeasurement of deferred tax charge following change in tax rates	4,951	806
<b>Total tax charge for the year</b>	<u><u>114,239</u></u>	<u><u>66,667</u></u>

##### **Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

#### 12. Dividends

	2022 £	2021 £
Dividends paid on ordinary shares	<u>575,000</u>	<u>9,753</u>
	<u><u>575,000</u></u>	<u><u>9,753</u></u>



# HENSALL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 13. Intangible assets

#### Group and Company

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2022	<b>1,864,859</b>
At 31 December 2022	<b>1,864,859</b>
<b>Amortisation</b>	
At 1 January 2022	<b>994,592</b>
Charge for the year on owned assets	<b>93,243</b>
At 31 December 2022	<b>1,087,835</b>
<b>Net book value</b>	
At 31 December 2022	<b>777,024</b>
<i>At 31 December 2021</i>	<b>870,267</b>

**HENSALL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**14. Tangible fixed assets**

**Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2022	350,000	65,490	266,804	17,007	1,153	700,454
Additions	-	11,138	382,609	-	680	394,427
Disposals	-	-	(39,613)	-	(1,153)	(40,766)
At 31 December 2022	<u>350,000</u>	<u>76,628</u>	<u>609,800</u>	<u>17,007</u>	<u>680</u>	<u>1,054,115</u>
<b>Depreciation</b>						
At 1 January 2022	-	52,864	191,306	13,636	281	258,087
Charge for the year on owned assets	-	11,526	90,452	316	-	102,294
Disposals	-	-	(39,613)	-	(281)	(39,894)
At 31 December 2022	<u>-</u>	<u>64,390</u>	<u>242,145</u>	<u>13,952</u>	<u>-</u>	<u>320,487</u>
<b>Net book value</b>						
At 31 December 2022	<u>350,000</u>	<u>12,238</u>	<u>367,655</u>	<u>3,055</u>	<u>680</u>	<u>733,628</u>
At 31 December 2021	<u>350,000</u>	<u>12,626</u>	<u>75,498</u>	<u>3,371</u>	<u>872</u>	<u>442,367</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Motor vehicles	326,809	72,060
	<u>326,809</u>	<u>72,060</u>

# HENSALL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 14. Tangible fixed assets (continued)

#### Company

	Freehold property £
<b>Cost or valuation</b>	
At 1 January 2022	350,000
At 31 December 2022	350,000
At 31 December 2022	-
<b>Net book value</b>	
At 31 December 2022	350,000
At 31 December 2021	350,000

### 15. Fixed asset investments

#### Group

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2022	438
At 31 December 2022	438

## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 15. Fixed asset investments (continued)

##### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2022	4,208,032
At 31 December 2022	<u>4,208,032</u>

#### 16. Subsidiary undertakings

##### Subsidiary undertakings

*The following were subsidiary undertakings of the Company:*

Name	Class of shares	Holding
Hensall Mechanical Services Limited	Ordinary	100%
Hensall Intelligent Building Energy Management Solutions Limited	Ordinary	100%
HMS Environmental Limited	Ordinary	100%

All of the above subsidiaries are registered at Roall Hall, Roall, Lane, Eggborough, Goole, North Yorkshire, DN14 0NY. All of the above subsidiaries are included in the consolidated financial statements.

Hensall Intelligent Building Energy Management Solutions Limited is exempt from the requirements relating to the audit of individual accounts by virtue of s479A of the Companies Act 2006.

HMS Environmental Limited is exempt from audit by virtue of s480 of Companies Act 2006.

#### 17. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	16,830	16,830
	<u>16,830</u>	<u>16,830</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**HENSALL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**18. Debtors**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Trade debtors	<b>2,462,039</b>	2,706,384
Other debtors	<b>97,365</b>	471,597
Prepayments and accrued income	<b>183,088</b>	103,849
Amounts recoverable on long-term contracts	<b>3,612,053</b>	2,084,965
	<b><u>6,354,545</u></b>	<u>5,366,795</u>

**19. Cash and cash equivalents**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Cash at bank and in hand	<b>3,575,297</b>	2,584,979	<b>34,337</b>	58,750
	<b><u>3,575,297</u></b>	<u>2,584,979</u>	<b><u>34,337</u></b>	<u>58,750</u>

**20. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Bank loans	<b>122,222</b>	381,906	-	259,684
Trade creditors	<b>6,098,472</b>	4,510,345	-	-
Amounts owed to group undertakings	-	-	<b>4,404,405</b>	4,271,202
Corporation tax	<b>43,363</b>	77,007	-	2,880
Other taxation and social security	<b>193,264</b>	416,152	<b>2,550</b>	1,530
Obligations under finance lease and hire purchase contracts	<b>82,085</b>	43,463	-	-
Other creditors	<b>111,008</b>	19,058	-	-
Accruals and deferred income	<b>2,780,241</b>	2,285,204	-	-
	<b><u>9,430,655</u></b>	<u>7,733,135</u>	<b><u>4,406,955</u></b>	<u>4,535,296</u>

Bank loans are secured by a debenture and a personal guarantee provided by C L Bond for £100,000.

There is also a cross guarantee supported by a debenture from fellow group members, Hensall Group Limited, Hensall Intelligent Building Energy Management Systems Limited and HMS Environmental Limited, for all monies owing to the bank.

Net obligations under the finance lease contracts are secured by a fixed charge on the assets concerned.

## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 21. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	203,704	325,926
Net obligations under finance leases and hire purchase contracts	197,689	38,118
	<u>401,393</u>	<u>364,044</u>

Bank loans are secured by a debenture and a personal guarantee provided by C L Bond for £100,000.

There is also a cross guarantee supported by a debenture from fellow group members, Hensall Group Limited, Hensall Intelligent Building Energy Management Systems Limited and HMS Environmental Limited, for all monies owing to the bank.

Net obligations under the finance lease contracts are secured by a fixed charge on the assets concerned.

#### 22. Loans

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Amounts falling due within one year</b>				
Bank loans	122,222	381,906	-	259,684
<b>Amounts falling due 1-2 years</b>				
Bank loans	122,222	122,222	-	-
<b>Amounts falling due 2-5 years</b>				
Bank loans	<u>81,482</u>	<u>203,704</u>	<u>-</u>	<u>-</u>

#### 23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	82,085	43,463
Between 1-5 years	67,411	24,086
Over 5 years	130,279	14,032
	<u>279,775</u>	<u>81,581</u>

## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 24. Deferred taxation

##### Group

	2022 £	2021 £
At beginning of year	(3,346)	(13,681)
Charged to profit or loss	(74,835)	10,335
<b>At end of year</b>	<b>(78,181)</b>	<b>(3,346)</b>
	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Fixed asset timing differences	(78,181)	(4,103)
Unpaid pension contributions	-	41
Disallowable provision - trade	-	716
	<b>(78,181)</b>	<b>(3,346)</b>

There is no deferred taxation asset or liability on the statement of financial position of the parent Company and no deferred tax charge or credit to the statement of comprehensive income in the parent Company.

#### 25. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
71,000 (2021 - 71,000) Ordinary shares of £1.00 each	71,000	71,000
1 (2021 - 1) D Ordinary share of £1.00	1	1
	<b>71,001</b>	<b>71,001</b>

All shares rank pari passu in all respects except the distribution of dividends.

Each share class carries voting rights and the entitlement to dividends except that the directors may at any time resolve to declare dividend payments of different amounts payable on each class of share or a dividend payable on one class of share at the exclusion of the other.

#### 26. Reserves

##### Profit and loss account

The profit and loss account represents the brought forward accumulated profits plus/minus the profit/loss for the financial period less cumulative dividends paid or declared.

## HENSALL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £42,616 for the year ended 31 December 2022 (2021 - £36,527). At the statement of financial position date £7,303 (2021 - £6,493) was payable to the fund.

#### 28. Transaction with directors

At 31 December 2022, C L Bond owes the Group £1,146 in respect of a Director's loan account (2021 - C L Bond owed the Group £352,084 in respect of an advance via a directors loan account). The maximum amount the loan account was overdrawn during the period was £352,084 (2021 - £352,084) which was reduced by repayments during the year. The loan does not incur interest charges

#### 29. Related party transactions

C L Bond is a related party of the Group by virtue of being a Company director and majority shareholder. At the reporting date, C L Bond owes the Group £1,146 in respect of a director's loan account (2021 - C L Bond owed the Group £352,084 in respect of a director's loan account).

#### 30. Controlling party

The ultimate controlling party is C L Bond, a director by virtue of his majority shareholding in the ultimate parent company.

#### 31. Analysis of net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	2,584,979	990,318	3,575,297
Debt due after 1 year	(325,926)	122,222	(203,704)
Debt due within 1 year	(381,906)	259,684	(122,222)
Finance leases	(81,581)	(198,193)	(279,774)
	<u>1,795,566</u>	<u>1,174,031</u>	<u>2,969,597</u>