

Registration number: 08010218

# Renzacci UK Holdings Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2020

Thomas Quinn  
Statutory Auditors  
The Station House  
15 Station Road  
St Ives  
Cambridgeshire  
PE27 5BH

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# **Renzacci UK Holdings Limited**

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# **Renzacci UK Holdings Limited**

## **Company Information**

**Directors** Mr G Alexander  
Mr J G J Alexander  
**Company secretary** Mr J G J Alexander

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**Registered office** 9 Marlin Park  
Central Way  
Feltham  
Middlesex  
TW14 0AN

**Auditors** Thomas Quinn  
Statutory Auditors  
The Station House  
15 Station Road  
St Ives  
Cambridgeshire  
PE27 5BH

## **Renzacci UK Holdings Limited**

### **Strategic Report for the Year Ended 31 March 2020**

The directors present their strategic report for the year ended 31 March 2020.

#### **Principal activity**

The principal activity of the company is that of marketing industrial laundry and dry cleaning equipment, conveying and packaging equipment, together with air quality monitoring equipment. The company also provides management services to companies within the group

#### **Fair review of the business**

The Directors' are pleased to present the financial statements of the year.

Turnover has increased in the year to £2.9m (2018 increased to £2.6m) as customers placed orders for projects that had previously been delayed.

Projects are continuing to be developed and the directors are expecting their hard work to be reflected in increasing the turnover in 2019/20.

Following the year end the business has been impacted by Covid and has adopted strategies, including utilising the furlough scheme. The company believes it will be able to ride out the year and remain profitable.

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

The group's principal financial instruments consists of bank balances, trade creditors and trade debtors. The main purposes of these instruments is to raise funds to finance the group's operations. Due to the nature of the financial instruments used by the group there is no exposure to price risk.

Approved by the Board on 21/12/20 and signed on its behalf by:



Mr J G J Alexander  
Director

## **Renzacci UK Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2020**

The directors present their report and the for the year ended 31 March 2020.

#### **Directors of the group**

The directors who held office during the year were as follows:

Mr G Alexander

Mr J G J Alexander

#### **Financial instruments**

#### **Objectives and policies**

The group's approach to managing other risks applicable to the financial instruments concerned is as follows:

#### **Price risk, credit risk, liquidity risk and cash flow risk**

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and a return on its funds using a combination of business current and deposit accounts.

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

Trade creditor liquidity risks are managed by ensuring sufficient funds are available to meet payments as they become due using appropriate cash flow modelling techniques.

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 21/12/20 and signed on its behalf by:



Mr J G J Alexander  
Director

## **Renzacci UK Holdings Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

## **Renzacci UK Holdings Limited**

### **Independent Auditor's Report to the Members of Renzacci UK Holdings Limited**

#### **Opinion**

We have audited the financial statements of Renzacci UK Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2020 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **Renzacci UK Holdings Limited**

### **Independent Auditor's Report to the Members of Renzacci UK Holdings Limited**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Statement of Directors' Responsibilities [set out on page 4], 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.

#### **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 financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



## **Renzacci UK Holdings Limited**

### **Independent Auditor's Report to the Members of Renzacci UK Holdings Limited**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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.



Anthony Wright (Senior Statutory Auditor)  
For and on behalf of Thomas Quinn, Statutory Auditor

The Station House  
15 Station Road  
St Ives  
Cambridgeshire  
PE27 5BH

Date: 21/12/20

# Renzacci UK Holdings Limited

## Consolidated Profit and Loss Account for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	3	2,430,525	2,922,828
Cost of sales		<u>(1,325,478)</u>	<u>(1,847,191)</u>
Gross profit		1,105,047	1,075,637
Administrative expenses		<u>(921,548)</u>	<u>(946,052)</u>
Operating profit	5	<u>183,499</u>	<u>129,585</u>
Other interest receivable and similar income	6	418	346
Interest payable and similar expenses	7	<u>1,743</u>	<u>(3,096)</u>
		<u>2,161</u>	<u>(2,750)</u>
Profit before tax		185,660	126,835
Taxation	11	<u>(26,829)</u>	<u>1,342</u>
Profit for the financial year		<u>158,831</u>	<u>128,177</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>158,831</u>	<u>128,177</u>

The group has no recognised gains or losses for the year other than the results above.

# Renzacci UK Holdings Limited

(Registration number: 08010218)

## Consolidated Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	1,016,788	1,019,687
<b>Current assets</b>			
Stocks	14	184,862	103,823
Debtors	15	269,267	234,008
Cash at bank and in hand		180,920	284,167
		635,049	621,998
<b>Creditors: Amounts falling due within one year</b>	17	(556,567)	(550,115)
<b>Net current assets</b>		78,482	71,883
<b>Total assets less current liabilities</b>		1,095,270	1,091,570
<b>Creditors: Amounts falling due after more than one year</b>	17	(20,183)	(43,426)
<b>Provisions for liabilities</b>		(8,929)	(3,755)
<b>Net assets</b>		1,066,158	1,044,389
<b>Capital and reserves</b>			
Called up share capital	19	2,004	2,003
Capital redemption reserve		20	20
Revaluation reserve		96,820	96,820
Other reserves		49,544	49,544
Profit and loss account		917,770	896,002
Equity attributable to owners of the company		1,066,158	1,044,389
<b>Total equity</b>		1,066,158	1,044,389

Approved and authorised by the Board on 21/12/20 and signed on its behalf by:



Mr J G J Alexander  
Director

The notes on pages 13 to 24 form an integral part of these financial statements.

# Renzacci UK Holdings Limited

(Registration number: 08010218)  
Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	42,349	56,465
Investments	13	<u>1,111</u>	<u>1,111</u>
		<u>43,460</u>	<u>57,576</u>
<b>Current assets</b>			
Debtors	15	870,541	887,089
Cash at bank and in hand		<u>7,956</u>	<u>7,956</u>
		878,497	895,045
<b>Creditors: Amounts falling due within one year</b>	17	<u>(65,147)</u>	<u>(45,943)</u>
<b>Net current assets</b>		<u>813,350</u>	<u>849,102</u>
<b>Total assets less current liabilities</b>		856,810	906,678
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>-</u>	<u>(43,426)</u>
<b>Net assets</b>		<u>856,810</u>	<u>863,252</u>
<b>Capital and reserves</b>			
Called up share capital		2,002	2,002
Capital redemption reserve		20	20
Profit and loss account		<u>854,788</u>	<u>861,230</u>
<b>Total equity</b>		<u>856,810</u>	<u>863,252</u>

The company made a profit after tax for the financial year of £130,620 (2019 - profit of £124,570).

Approved and authorised by the Board on 21/12/20 and signed on its behalf by:



Mr J G J Alexander  
Director

# Renzacci UK Holdings Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 March 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		158,831	128,177
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	31,814	39,338
Profit on disposal of tangible assets	4	(3,600)	-
Finance income	6	(418)	(346)
Finance costs	7	3,213	2,904
Income tax expense	11	26,829	(1,342)
		216,669	168,731
Working capital adjustments			
(Increase)/decrease in stocks	14	(81,039)	99,292
Increase in trade debtors	15	(37,768)	(33,702)
(Decrease)/increase in trade creditors	17	(29,674)	15,912
Cash generated from operations		68,188	250,233
Income taxes paid	11	(13,619)	(7,930)
Net cash flow from operating activities		54,569	242,303
<b>Cash flows from investing activities</b>			
Interest received		418	346
Acquisitions of tangible assets		2,183	-
Proceeds from sale of tangible assets		3,600	-
Net cash flows from investing activities		6,201	346
<b>Cash flows from financing activities</b>			
Repayment of other borrowing		(26,955)	(25,499)
Dividends paid		(137,062)	(126,900)
Net cash flows from financing activities		(164,017)	(152,399)
Net (decrease)/increase in cash and cash equivalents		(103,247)	90,250
Cash and cash equivalents at 1 April		284,167	193,917
Cash and cash equivalents at 31 March		180,920	284,167

# Renzacci UK Holdings Limited

## Statement of Cash Flows for the Year Ended 31 March 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		130,620	124,570
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	14,116	18,821
Finance income		(55,000)	(55,000)
Finance costs	7	1,707	2,904
Income tax expense	11	13,105	13,619
		<u>104,548</u>	<u>104,914</u>
Working capital adjustments			
Decrease in trade debtors	15	16,548	5,625
Decrease in trade creditors	17	(466)	(36)
Cash generated from operations		120,630	110,503
Income taxes paid	11	(13,619)	(13,154)
Net cash flow from operating activities		<u>107,011</u>	<u>97,349</u>
<b>Cash flows from investing activities</b>			
Interest received		55,000	55,000
<b>Cash flows from financing activities</b>			
Payments to finance lease creditors		(24,949)	(25,449)
Dividends paid		(137,062)	(126,900)
Net cash flows from financing activities		<u>(162,011)</u>	<u>(152,349)</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 April		<u>7,956</u>	<u>7,956</u>
Cash and cash equivalents at 31 March		<u><u>7,956</u></u>	<u><u>7,956</u></u>

## **Renzacci UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **1 General information**

The company is a private company limited by share capital, incorporated in UK.

The address of its registered office is:

9 Marlin Park  
Central Way  
Feltham  
Middlesex  
TW14 0AN

The accounts were authorised for issue on the date shown on the Auditors report.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2019.

The company has claimed exemption from presenting its individual profit and loss account as conferred by s408 Companies Act 2006.

## **Renzacci UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the group's activities.

#### **Tax**

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

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 group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

~~Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.



## **Renzacci UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

##### **Asset class**

Freehold land

Freehold property

Plant and machinery

Motor vehicles

##### **Depreciation method and rate**

No depreciation is provided as the directors feel that the cost reflects the open market value

2% straight line

10% reducing balance

25% straight line

#### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

## **Renzacci UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **Inventories**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## Renzacci UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Sale of goods	<u>2,430,525</u>	<u>2,922,828</u>

The analysis of the group's turnover for the year by class of business is as follows:

	2020 £	2019 £
Laundry equipment	2,430,525	2,882,828
Class 3	<u>-</u>	<u>40,000</u>
	<u>2,430,525</u>	<u>2,922,828</u>

The analysis of the group's turnover for the year by market is as follows:

	2020 £	2019 £
UK	2,430,525	2,882,828
Rest of world	<u>-</u>	<u>40,000</u>
	<u>2,430,525</u>	<u>2,922,828</u>

#### 4 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2020 £	2019 £
Gain (loss) on disposal of property, plant and equipment	<u>3,600</u>	<u>-</u>

#### 5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	31,814	39,338
Profit on disposal of property, plant and equipment	<u>(3,600)</u>	<u>-</u>

#### 6 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	<u>418</u>	<u>346</u>

# Renzacci UK Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 7 Interest payable and similar expenses

	2020 £	2019 £
Interest on obligations under finance leases and hire purchase contracts	3,213	2,904
Foreign exchange (gains) / losses	(4,956)	192
	<u>(1,743)</u>	<u>3,096</u>

### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	371,801	380,063
Social security costs	40,430	40,688
Other short-term employee benefits	15,473	15,609
Pension costs, defined contribution scheme	18,667	19,191
	<u>446,371</u>	<u>455,551</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Administration and support	6	6
Sales	7	7
	<u>13</u>	<u>13</u>

### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	7,500	7,500
Contributions paid to money purchase schemes	18,000	18,000
	<u>25,500</u>	<u>25,500</u>

### 10 Auditors' remuneration

	2020 £	2019 £
Audit of these financial statements	<u>7,500</u>	<u>7,500</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>3,750</u>	<u>5,236</u>

## Renzacci UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 11 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	21,655	(153)
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>5,174</u>	<u>(1,189)</u>
Tax expense/(receipt) in the income statement	<u><u>26,829</u></u>	<u><u>(1,342)</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>185,660</u>	<u>126,835</u>
Corporation tax at standard rate	35,275	24,099
Effect of expense not deductible in determining taxable profit (tax loss)	7,002	6,754
Tax decrease from effect of adjustment in research and development tax credit	<u>(15,448)</u>	<u>(32,195)</u>
Total tax charge/(credit)	<u><u>26,829</u></u>	<u><u>(1,342)</u></u>

# Renzacci UK Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 12 Tangible assets

#### Group

	Land and buildings £	Motor vehicles £	Other tangible assets £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	950,000	169,872	161,525	1,281,397
Additions	-	28,914	-	28,914
Disposals	-	(28,582)	-	(28,582)
At 31 March 2020	<u>950,000</u>	<u>170,204</u>	<u>161,525</u>	<u>1,281,729</u>
<b>Depreciation</b>				
At 1 April 2019	48,000	100,750	112,959	261,709
Charge for the year	6,000	19,482	6,332	31,814
Eliminated on disposal	-	(28,582)	-	(28,582)
At 31 March 2020	<u>54,000</u>	<u>91,650</u>	<u>119,291</u>	<u>264,941</u>
<b>Carrying amount</b>				
At 31 March 2020	<u>896,000</u>	<u>78,554</u>	<u>42,234</u>	<u>1,016,788</u>
At 31 March 2019	<u>902,000</u>	<u>69,121</u>	<u>48,566</u>	<u>1,019,687</u>

Included within the net book value of land and buildings above is £896,000 (2019 - £902,000) in respect of freehold land and buildings.

#### Company

	Motor vehicles £	Total £
<b>Cost or valuation</b>		
At 1 April 2019	<u>100,590</u>	<u>100,590</u>
At 31 March 2020	<u>100,590</u>	<u>100,590</u>
<b>Depreciation</b>		
At 1 April 2019	44,125	44,125
Charge for the year	<u>14,116</u>	<u>14,116</u>
At 31 March 2020	<u>58,241</u>	<u>58,241</u>
<b>Carrying amount</b>		
At 31 March 2020	<u>42,349</u>	<u>42,349</u>
At 31 March 2019	<u>56,465</u>	<u>56,465</u>

## Renzacci UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 13 Investments

##### Group

##### Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Renzacci (UK) Plc*	UK	Ordinary	100%	100%
Renzacci (UK) Logistics Limited*		Ordinary	100%	100%
	UK			

\* indicates direct investment of the company

##### Subsidiary undertakings

The principal activity of Renzacci (UK) Plc is Marketing industrial laundry and dry cleaning equipment

The principal activity of Renzacci (UK) Logistics Limited is Investment company

##### Company

	2020 £	2019 £
Investments in subsidiaries	<u>1,111</u>	<u>1,111</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 April 2019		<u>1,111</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 March 2020		<u>1,111</u>
At 31 March 2019		<u>1,111</u>

# Renzacci UK Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 14 Stocks

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Other inventories	<u>184,862</u>	<u>103,823</u>	<u>-</u>	<u>-</u>

### Group

### 15 Debtors

	Group		Company	
Note	2020 £	2019 £	2020 £	2019 £
Trade debtors	253,076	205,502	-	-
Amounts owed by related parties	-	-	868,664	885,213
Other debtors	8,223	14,349	1,877	1,876
Prepayments	<u>7,968</u>	<u>14,157</u>	<u>-</u>	<u>-</u>
Total current trade and other debtors	<u>269,267</u>	<u>234,008</u>	<u>870,541</u>	<u>887,089</u>

### Details of non-current trade and other debtors

### Group

£Nil (2019 - £Nil) of Finance leases is classified as non current.

### 16 Cash and cash equivalents

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Cash at bank	<u>180,920</u>	<u>284,167</u>	<u>7,956</u>	<u>7,956</u>

### 17 Creditors

	Group		Company	
Note	2020 £	2019 £	2020 £	2019 £
<b>Due within one year</b>				
Loans and borrowings	20	51,332	23,242	43,426
Trade creditors		361,272	358,885	276
Social security and other taxes		99,338	132,146	255
Other payables		7,595	6,848	2,501
Accrued expenses		9,825	9,825	34
Corporation tax liability	11	<u>27,205</u>	<u>19,169</u>	<u>18,655</u>
		<u>556,567</u>	<u>550,115</u>	<u>65,147</u>
<b>Due after one year</b>				
Loans and borrowings	20	<u>20,183</u>	<u>43,426</u>	<u>-</u>
		<u>20,183</u>	<u>43,426</u>	<u>43,426</u>



# Renzacci UK Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 18 Pension and other schemes

#### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £18,668 (2019 - £19,191).

### 19 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.10 each	15,800	1,580.00	15,800	1,580.00
A Ordinary shares of £0.01 each	2,222	22.22	2,222	22.22
B Ordinary shares of £0.10 each	4,000	400.00	4,000	400.00
	<u>22,022</u>	<u>2,002</u>	<u>22,022</u>	<u>2,002</u>

### 20 Loans and borrowings

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
<b>Non-current loans and borrowings</b>				
Finance lease liabilities	<u>20,183</u>	<u>43,426</u>	<u>-</u>	<u>43,426</u>

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
<b>Current loans and borrowings</b>				
Finance lease liabilities	<u>51,332</u>	<u>23,242</u>	<u>43,426</u>	<u>23,242</u>

### 21 Parent and ultimate parent undertaking

The ultimate controlling party is G Alexander.