

Company Registration No. 08480027 (England and Wales)

EDENONE SOLUTIONS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020

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EDENONE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	P M Solomon P M Mckay J Antunes
Company number	08480027
Registered office	6 Quartz Point Stonebridge Road Coleshill Birmingham West Midlands B46 3JL
Auditor	RSM UK Audit LLP Chartered Accountants St Philips Point Temple Row Birmingham West Midlands B2 5AF

EDENONE SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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

Principal activities

The principal activity of the company continued to be that of the implementation and support of SAP software.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P M Solomon

O Vaughan

(Resigned 30 September 2019)

P M McKay

(Appointed 11 February 2020)

J Antunes

(Appointed 11 February 2020)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Post reporting date events

On 11 March 2020, shortly before the company's year end, the outbreak of the coronavirus, Covid-19, was declared by the World Health Organisation to be a pandemic. The directors response to the rapidly changing situation has continued to impact the company in the period after the reporting date.

The directors have considered the impact of Covid-19 on the ability of the company to continue in operational existence over a period of at least twelve months from the date of approval of these financial statements. From the start of the outbreak to today, management have approached the pandemic focused on the wellbeing of its staff, including doing all we can to provide a safe working environment to keep our team healthy and keeping the business strong and thus ensuring their role in it. We took decisions early and acted with speed due to the uncertainty at the time, which included the following actions:

- We moved our entire team to working from home, which we continue to do. Our infrastructure was in place and we were able to continue to offer support to all our customers remotely. While we have ensured our premises are Covid-19 friendly and ready to welcome the team back, we continue to work from home for as long as the government guidance recommends it.
- We took the difficult decision to Furlough a number of our team, with full appreciation of what this meant. We topped up the salaries of our impacted team members beyond what the government offering was. In addition, the Senior Management Team took a pay cut for a Quarter.
- We spent time reviewing our Go To Market strategy, with full knowledge that we were going to be entering a more competitive landscape when exiting the pandemic due to the number of capital project delays we had evidenced.
- We doubled our cash collection efforts, recognising that liquidity would be under pressure.

As we are now in our second national lockdown, we have been successful in our approach to date, and both our profitability and liquidity is strong as we approach the final quarter of our fiscal year. Our Go To Market review – and subsequent changes as a result – leave us confident that the business is in rude health for the year ahead.

EDENONE SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Going concern

As a result of the Covid-19 lockdown measures introduced by the UK Government in March 2020, the group took steps to preserve cash and requested to defer a bank repayment which was scheduled to be made on 31 March 2020. This deferral was approved by the lenders, but formal sign off for the group's amended leverage covenant did not take place until 1 April 2020. As a result, the group was technically in breach of this loan covenant at 31 March 2020 and this situation was rectified within 24 hours. The cashflow covenant in this amendment agreement was not correctly amended to reflect the revised repayment profile. The lenders are aware of this error and have now approved a further amendment to the agreement and waived this covenant at 31 March 2020, however this rectification was not in place at the 31 March 2020. However, the group was technically in breach of its loan facilities at the reporting date and the outstanding loan balances have been reclassified as current in the financial statements.

At the date of approving these financial statements, following continued improvements in trading performance, the group is now in compliance with all amended covenants and all rescheduled payments have been made on schedule.

Auditor

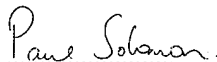
RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board



P M Solomon

Director

Date: 18th December 2020

EDENONE SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDENONE SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Edenone Solutions Limited (the 'company') for the year ended 31 March 2020 which comprise the income statement, the statement of financial position 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 FRS 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 company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company 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 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 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. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDENONE SOLUTIONS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

RSM UK Audit LLP

Benjamin Lawrance (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
West Midlands, B2 5AF
18th December 2020

EDENONE SOLUTIONS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Turnover	1,003,098	1,333,391
Cost of sales	(743,650)	(816,147)
Gross profit	259,448	517,244
Administrative expenses	(2,225)	(141,376)
Operating profit	257,223	375,868
Interest receivable and similar income	1,202	2,077
Profit before taxation	258,425	377,945
Tax on profit	-	-
Profit for the financial year	258,425	377,945

EDENONE SOLUTIONS LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	3	440,330		363,362	
Cash at bank and in hand		1,413,041		1,024,323	
		<u>1,853,371</u>		<u>1,387,685</u>	
Creditors: amounts falling due within one year	4	<u>(750,722)</u>		<u>(543,461)</u>	
Net current assets			<u>1,102,649</u>		<u>844,224</u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves	7		<u>1,102,648</u>		<u>844,223</u>
Total equity			<u>1,102,649</u>		<u>844,224</u>

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

The financial statements were approved by the board of directors and authorised for issue on 18th December 2020 and are signed on its behalf by:

Paul Solomon

P M Solomon
Director

EDENONE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Edenone Solutions Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 6 Quartz Point, Stonebridge Road, Coleshill, Birmingham, West Midlands, B46 3JL.

Accounting convention

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As a result of the Covid-19 lockdown measures introduced by the UK Government in March 2020, the group took steps to preserve cash and requested to defer a bank repayment which was scheduled to be made on 31 March 2020. This deferral was approved by the lenders, but formal sign off for the group's amended leverage covenant did not take place until 1 April 2020. As a result, the group was technically in breach of this loan covenant at 31 March 2020 and this situation was rectified within 24 hours. The cashflow covenant in this amendment agreement was not correctly amended to reflect the revised repayment profile. The lenders are aware of this error and have now approved a further amendment to the agreement and waived this covenant at 31 March 2020, however this rectification was not in place at the 31 March 2020. However, the group was technically in breach of its loan facilities at the reporting date and the outstanding loan balances have been reclassified as current in the financial statements.

At the date of approving these financial statements, following continued improvements in trading performance, the group is now in compliance with all amended covenants and all rescheduled payments have been made on schedule.

The directors are comfortable with the position for the next 12 months from the date of signature of the financial statements as the underlying financial position of the trading companies remain strong with net asset positions being reported.

Turnover

Turnover represents the value, net of Value Added Tax, of goods sold and services provided to customers. Revenue is recognised as follows:

- Amounts collected from customers for annual support and maintenance contracts are not recognised immediately, but put into a deferred income account and released evenly over the term of the contract.
- Amounts collected from customers for annual licences are recognised immediately.
- Amounts collected for consultancy are not recognised immediately, but put into a deferred income account and released as services are provided.

EDENONE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors' and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Retirement benefits

Edenhouse Solutions Limited, a subsidiary of the company's immediate parent company, operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

EDENONE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

There are no employees contracted to the company. Wages and salaries are recharged from Edenhouse Solutions Limited, a subsidiary of the company's immediate parent company.

The directors of company are remunerated through fellow group companies. The amount of time spent undertaking their duties as directors of Edenone Limited is minimal therefore no cost is allocated to the company and directors' remuneration is not disclosed.

3 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	294,637	254,574
Other debtors	145,693	108,788
	<u>440,330</u>	<u>363,362</u>

4 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	6,827	69,263
Amounts owed to group undertakings	278,801	148,884
Taxation and social security	134,929	24,446
Other creditors	330,165	300,868
	<u>750,722</u>	<u>543,461</u>

EDENONE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	20,254	25,979

Edenhouse Solutions Limited, a subsidiary of the company's immediate parent company, operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

6 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary shares of £1 each	1	1
	1	1

7 Profit and loss reserves

	2020	2019
	£	£
At the beginning of the year	844,223	466,278
Profit for the year	258,425	377,945
At the end of the year	1,102,648	844,223

8 Financial commitments, guarantees and contingent liabilities

The company is party to a group VAT registration. At 31 March 2020, the group had a VAT liability of £691,868 (2019: £718,021). This liability has been deferred and is repayable at 31 March 2021.

The bank loans in the wider group are secured by way of fixed and floating charges over the assets of the group.

EDENONE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Events after the reporting date

On 11 March 2020, shortly before the company's year end, the outbreak of the coronavirus, Covid-19, was declared by the World Health Organisation to be a pandemic. The directors response to the rapidly changing situation has continued to impact the company in the period after the reporting date.

The directors have considered the impact of Covid-19 on the ability of the company to continue in operational existence over a period of at least twelve months from the date of approval of these financial statements. From the start of the outbreak to today, management have approached the pandemic focused on the wellbeing of its staff, including doing all we can to provide a safe working environment to keep our team healthy and keeping the business strong and thus ensuring their role in it. We took decisions early and acted with speed due to the uncertainty at the time, which included the following actions:

- We moved our entire team to working from home, which we continue to do. Our infrastructure was in place and we were able to continue to offer support to all our customers remotely. While we have ensured our premises are Covid-19 friendly and ready to welcome the team back, we continue to work from home for as long as the government guidance recommends it.
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- We spent time reviewing our Go To Market strategy, with full knowledge that we were going to be entering a more competitive landscape when exiting the pandemic due to the number of capital project delays we had evidenced.
- We doubled our cash collection efforts, recognising that liquidity would be under pressure.

As we are now in our second national lockdown, we have been successful in our approach to date, and both our profitability and liquidity is strong as we approach the final quarter of our fiscal year. Our Go To Market review – and subsequent changes as a result – leave us confident that the business is in rude health for the year ahead.

10 Parent company

The smallest group undertaking in which the results are consolidated is that headed by Edenhouse ERP Holdings Limited. The registered office of Edenhouse ERP Holdings Limited is 6 Quartz Point, Stonebridge Road, Coleshill, Birmingham, West Midlands, B46 3JL.