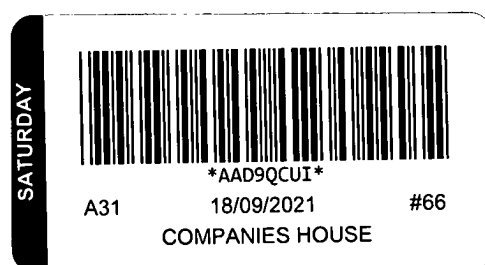


**IRANGO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# IRANGO LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Ben Rankin Jack Rankin Jessica Rankin Tom Rankin
<b>Secretary</b>	A B Langman
<b>Company number</b>	12114392
<b>Registered office</b>	Metnor House Mylord Crescent Killingworth Newcastle upon Tyne NE12 5YD
<b>Auditor</b>	Haines Watts North East Audit LLP 17 Queens Lane Newcastle upon Tyne NE1 1RN

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# **IRANGO LIMITED**

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# **IRANGO LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

The effect of COVID-19 has been seen across the Group and is reflected in these consolidated results. The impact of site closures - as provisions were made to operate safely and within Government guidelines - together with additional costs as sites were re-mobilised at reduced capacity has resulted in both decreased turnover and margins. Turnover achieved in 2019 was £92 million whilst it was £68 million in 2020 and gross profit has been squeezed from 8.5% to 5.7%. During the year, the directors introduced several cost-saving initiatives – unfortunately, resulting in a redundancy programme that has reduced the workforce by 10% - to ensure that the Group is well placed to take advantage of business opportunities as the wider economy improves.

During these unprecedented times, the Group has placed increased focus on cash management and the consolidated cash balance has been increased by £5.3 million to the year position of £7.8 million.

The impact of delayed projects together with a significant number of prestigious contract wins and a reduced cost base means the Group is well placed for strong performance throughout 2021 and beyond.

#### **Construction Division**

As a main contractor Metnor Construction has had to lead on the implementation of COVID safe working across all its sites. With the resultant delays and increased costs, turnover in 2020 was £48.3 million compared to £62.8 million in the previous year.

The focus of the division continues to be on those markets where the Group has considerable experience, namely:

- Five leisure centres from Hampshire through to North Norfolk
- Data halls in Welwyn Garden City
- Care homes in Cheshire and Bromley
- A hotel in Sunderland

In addition to these defined markets the division commenced work in 2020 on two Private Rented Sector (PRS) schemes in Sheffield and Birmingham. This is a sector which is particularly vibrant and a third PRS scheme – in Rugby – has started in 2021 and further projects are in the pipeline.

With work continuing on a number of the projects named above the division has also already secured three more hotels in North England as well as a data hall in Wembley and prospects through 2021 and beyond are extremely positive.

# IRANGO LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **M&E Contracting Division**

Norstead, the mechanical and electrical contracting business, also suffered a reduction in turnover to £17.5 million from £23.5 million in 2019. Despite suffering delays to jobs and additional costs the division has managed to reduce its operating loss and is set to return to profit in 2021.

Gross margins have been maintained on most contracts however an NHS hospital project in Central London has suffered considerable overruns, despite remaining open throughout all the lockdowns, and has returned a loss.

The division operates across all segments of the M&E market with a strong emphasis on the healthcare, leisure, PRS and student accommodation sectors. Changes in the senior management have facilitated closer working relationships with Metnor Construction, and Norstead is providing the M&E services to several of the projects listed above.

### **Property Division**

With effect from 30 April 2020 the ownership of the Group's property division was sold to Stephen and Kim Rankin. Consequently, only the results up to that date are reflected in these consolidated results. Turnover in those four months from the commercial investment properties totalled £0.7 million.

### **Other activities**

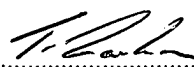
The activities of Metnor (Great Yarmouth) Limited, our specialist pressure testing business, are totally reliant on the oil price and associated confidence in the oil and gas sector. The results of 2020 were affected by the lack of air travel during the pandemic which led to a considerable reduction in the oil price. However, the division is well financed and able to manage costs to enable it to continue to trade profitably, albeit from a reduced level of income

### **Key performance indicators**

The 3 KPIs the Group use to monitor performance are turnover, operating profit/loss and cash at bank. The performance of these 3 KPIs over the past 3 years is as follows

	2020	2019	2018
Turnover	£68,078k	£92,313k	£90,890k
Operating P/L	(£3,315k)	(£432k)	£3,010k
Cash	£7,789k	£2,452k	£16,872k

On behalf of the board



T Rankin  
Director

Date: 10 September 2021

# IRANGO LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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

#### Principal activities

The principal activity of the company and group continued to be that of construction contractors.

#### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £11.3m. The directors do not recommend payment of a final dividend.

#### Directors

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

Ben Rankin  
Jack Rankin  
Jessica Rankin  
Tom Rankin

#### Auditor

Haines Watts North East Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a 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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



T Rankin  
Director

Date: 10 September 2021

# **IRANGO LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors are responsible 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 group and company, 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 and then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **IRANGO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF IRANGO LIMITED**

---

#### **Opinion**

We have audited the financial statements of Irango Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 December 2020 and of the group's loss 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 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**

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 and 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the Group's trade, suppliers and wider economy. The Director's view on the impact of COVID-19 is disclosed in accounting policies note 1.4.

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

#### **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.



# IRANGO LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IRANGO LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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 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 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 directors' responsibilities statement, 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 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 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.

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.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates, including corroborating with quantity surveyors from outside the finance department.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the

# **IRANGO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF IRANGO LIMITED**

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audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



**Donna Bulmer BA(Hons) ACA (Senior Statutory Auditor)**  
**For and on behalf of Haines Watts North East Audit LLP**

Date: .....13 September 2021.....

**Chartered Accountants**  
**Statutory Auditor**

17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN

# IRANGO LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

AS AT 31 DECEMBER 2020

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		2020	Period ended
	Notes	£000	2019
			£000
Turnover	3	68,078	32,479
Cost of sales		(64,650)	(30,586)
		<hr/>	<hr/>
Gross profit		3,428	1,893
Administrative expenses		(7,372)	(3,045)
Other operating income		629	-
		<hr/>	<hr/>
Operating loss	4	(3,315)	(1,152)
Interest receivable and similar income	7	32	31
Interest payable and similar expenses	8	(9)	(20)
Net assets acquired in excess of cost		-	803
		<hr/>	<hr/>
Loss before taxation		(3,292)	(338)
Tax on loss	9	1,107	106
		<hr/>	<hr/>
Loss for the financial year		(2,185)	(232)
		<hr/>	<hr/>

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

**IRANGO LIMITED**  
**GROUP BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Notes	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	10	1,324	2,374
Investment properties	11	-	9,091
		<u>1,324</u>	<u>11,465</u>
<b>Current assets</b>			
Stocks	14	2,314	4,100
Debtors	15	18,412	28,212
Cash at bank and in hand		7,789	2,452
		<u>28,515</u>	<u>34,764</u>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	16	(18,577)	(21,452)
Loan notes	19	(13,679)	(25,000)
		<u>(32,256)</u>	<u>(46,452)</u>
<b>Net current assets</b>		<u>(3,741)</u>	<u>(11,688)</u>
<b>Total assets less current liabilities</b>		<u>(2,417)</u>	<u>(222)</u>
<b>Provisions for liabilities</b>			
Deferred tax liability	17	-	(10)
		<u>-</u>	<u>(10)</u>
<b>Net assets</b>		<u>(2,417)</u>	<u>(232)</u>
<b>Capital and reserves</b>			
Called up share capital	20	-	-
Profit and loss reserves		(2,417)	(232)
		<u>(2,417)</u>	<u>(232)</u>
<b>Total equity</b>		<u>(2,417)</u>	<u>(232)</u>

The financial statements were approved by the board of directors and authorised for issue on 19 September 2021 and are signed on its behalf by:

  
T Rankin  
Director

**IRANGO LIMITED**  
**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Notes	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	12	13,670	24,996
		<u>13,670</u>	<u>24,996</u>
<b>Current assets</b>			
Debtors	15	159	154
		<u>159</u>	<u>154</u>
<b>Creditors: amounts falling due within one year</b>			
Loan notes	19	(13,679)	(25,000)
		<u>(13,679)</u>	<u>(25,000)</u>
<b>Net current (liabilities)/assets</b>		(13,520)	(24,846)
<b>Net assets</b>		<u>150</u>	<u>150</u>
<b>Capital and reserves</b>			
Called up share capital	20	-	-
Profit and loss reserves		<u>150</u>	<u>150</u>
<b>Total equity</b>		<u>150</u>	<u>150</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0. (2019 - £0).

The financial statements were approved by the board of directors and authorised for issue on 10 September 2021 and are signed on its behalf by:

  
 T Rankin  
 Director

Company Registration No. 12114392

# IRANGO LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 22 July 2019		-	-	-
Year ended 31 December 2019:				
Loss and total comprehensive expense for the year		-	(232)	(232)
Balance at 31 December 2019		-	(232)	(232)
Year ended 31 December 2020:				
Loss and total comprehensive expense for the year		-	(2,185)	(2,185)
Balance at 31 December 2020		-	<u>(2,417)</u>	<u>(2,417)</u>

# IRANGO LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 22 July 2019		-	-	-
Year ended 31 December 2019:				
Loss and total comprehensive income for the year		-	150	-
Balance at 31 December 2019		-	150	150
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	-	-
Balance at 31 December 2020		-	150	150

# IRANGO LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	14,576	5,074
Interest paid		(9)	-
Income taxes refunded/(paid)		1,785	(853)
<b>Net cash inflow from operating activities</b>		<u>16,352</u>	<u>4,221</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(307)	(396)
Proceeds on disposal of tangible fixed assets		105	66
Acquisition of subsidiary undertaking		-	(1,469)
Proceeds on disposal of subsidiary		500	-
Interest received		7	5
Loans repaid by jointly controlled entities		-	25
<b>Net cash generated from investing activities</b>		<u>305</u>	<u>(1,769)</u>
<b>Financing activities</b>			
Dividends paid to equity shareholders		(11,320)	-
<b>Net cash used in financing activities</b>		<u>(11,320)</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>5,337</u>	<u>2,452</u>
Cash and cash equivalents at beginning of year		<u>2,452</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>7,789</u></u>	<u><u>2,452</u></u>



# IRANGO LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	-	(154)
<b>Net cash inflow from operating activities</b>		-	(154)
<b>Investing activities</b>			
Dividends received		11,320	23,400
Acquisition of subsidiary undertaking		-	(23,246)
<b>Net cash generated from investing activities</b>		11,320	154
<b>Financing activities</b>			
Dividends paid to equity shareholders		(11,320)	-
<b>Net cash used in financing activities</b>		(11,320)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	-
Cash and cash equivalents at beginning of year		-	-
<b>Cash and cash equivalents at end of year</b>		-	-

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# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### Company information

Irango Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Metnor House, Mylord Crescent, Killingworth, Newcastle upon Tyne, NE12 5YD.

The group consists of Irango Limited and all of its subsidiaries.

##### 1.1 Accounting convention

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.

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 £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

For the year ended 31 December 2020, the Group and Company have transitioned from IFRS reporting framework to FRS 102 as at 1st January 2020, requiring a full retrospective restatement of the prior period for the year end accounts to conform to the requirements of FRS 102. The transitional reconciliations required have been performed, due to the nature of the entities and the similarities between the two reporting frameworks there are few major differences. Consideration has been given to any adjustments required surrounding recognition, derecognition or classification of assets and liabilities, with no adjustments noted. Therefore there has been little to no impact on the reported financial position and financial performance.

##### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

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

The consolidated group financial statements consist of the financial statements of the parent company Irango Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### **1.4 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

Further information on the group's business activities, together with the factors likely to affect its future development, performance, and position are set out in the Strategic Report.

Notwithstanding net current liabilities of £3,741,000 and net liabilities of £2,417,000 as at 31 December 2020, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the reasons set out below.

The group funds its operations through its cash reserves. Whilst the group recorded a loss for 2020 of £2,184,000 it generated cash of £5,337,000 from operations and had cash balances of £7,789,000 at the year end.

# **IRANGO LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

At 31 December 2020 the group had £13,679,000 of unsecured and interest free loan notes which are repayable on demand. These loan notes arose from the acquisition of all the shares of Metnor Group Limited by the company on 23 August 2019 and are held by the vendors, Stephen and Kim Rankin. Although these loan notes are payable on demand the holders of the loan notes have confirmed that they will not seek repayment of any part of these for a period of at least a year following approval of these financial statements and thereafter for the foreseeable future. As with any company placing reliance on loan note holders for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors have prepared group cashflow forecasts for the period of 12 months from the date of approval of these financial statements and the directors believe the group and company have sufficient funding in place for the foreseeable future. Consequently, the directors are confident that the group and the company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **1.5 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### 1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	25 years
Plant and equipment	3 to 10 years
Motor vehicles	4 to 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

##### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

##### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **1 Accounting policies**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **1.10 Construction contracts**

The "percentage of completion method" is used to determine the appropriate amount to recognise in each period. The stage of completion is measured by reference to the most reliable estimate of progress. For Metnor Construction this is based on the proportion of contract sales certified to date compared to the estimated total contract sales. For Norstead it is based on the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as contract balances within debtors, provided it is probable they will be recovered. Billings more than recognised revenue are carried forward as contract liabilities within creditors.

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

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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 group after deducting all of its liabilities.

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the 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 group.

#### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# **IRANGO LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.17 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.18 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### **2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Turnover and other revenue

	2020 £000	2019 £000
<b>Turnover analysed by class of business</b>		
Construction Contract Revenue	64,815	30,717
Rent of Equipment	1,254	1,364
Sale of Equipment	1,217	131
Sale of properties and land	122	-
Investment Property rentals	663	263
Management charges	7	4
	<u>68,078</u>	<u>32,479</u>
	2020 £000	2019 £000
<b>Other significant revenue</b>		
Interest income	32	31
Grants received	616	-
	<u></u>	<u></u>

All Turnover was derived in the UK.

### 4 Operating loss

	2020 £000	2019 £000
Operating loss for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	548	260
Loss/(Profit) on sale of fixed assets	10	30
Loss on sale of subsidiaries	150	-
	<u></u>	<u></u>

### 5 Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5	6
Audit of the financial statements of the company's subsidiaries	42	67
	<u>47</u>	<u>73</u>

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	<b>Group 2020 Number</b>	<b>2019 Number</b>	<b>Company 2020 Number</b>	<b>2019 Number</b>
Production	108	119	-	-
Administration	80	77	-	-
<b>Total</b>	<b>188</b>	<b>196</b>	<b>-</b>	<b>-</b>

Their aggregate remuneration comprised:

	<b>Group 2020 £000</b>	<b>2019 £000</b>	<b>Company 2020 £000</b>	<b>2019 £000</b>
Wages and salaries	9,582	3,267	-	-
Social security costs	1,084	372	-	-
Pension costs	839	279	-	-
	<b>11,505</b>	<b>3,918</b>	<b>-</b>	<b>-</b>

#### 7 Interest receivable and similar income

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Interest income</b>		
Interest on bank deposits	7	7
Other interest income	25	24
<b>Total income</b>	<b>32</b>	<b>31</b>

#### 8 Interest payable and similar expenses

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Other finance costs:</b>		
Other interest	9	20

#### 9 Taxation

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	82	88
Adjustments in respect of prior periods	(462)	-
<b>Total current tax</b>	<b>(380)</b>	<b>88</b>

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9 Taxation

	2020 £000	2019 £000
<b>Deferred tax</b>		
Origination and reversal of timing differences	(487)	18
Adjustment in respect of prior periods	(240)	-
Total deferred tax	<u>(727)</u>	<u>106</u>
Total tax credit	<u>(1,107)</u>	<u>106</u>

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £000	2019 £000
Loss before taxation	<u>(3,292)</u>	<u>(338)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(625)	(64)
Tax effect of expenses that are not deductible in determining taxable profit	17	-
Tax effect of income not taxable in determining taxable profit	(67)	(107)
Adjustments in respect of prior years	(427)	65
Patent box additional deduction	<u>(5)</u>	<u>-</u>
Taxation credit	<u>(1,107)</u>	<u>(106)</u>

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 10 Tangible fixed assets

Group	Freehold land and buildings £000	Plant and equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>				
At 1 January 2020	2,061	3,426	1,392	6,879
Additions	-	133	174	307
Disposals	(1,464)	(117)	(511)	(2,092)
At 31 December 2020	597	3,442	1,055	5,094
<b>Depreciation and impairment</b>				
At 1 January 2020	970	2,991	544	4,505
Depreciation charged in the year	49	185	299	533
Eliminated in respect of disposals	(809)	(116)	(343)	(1,268)
At 31 December 2020	210	3,060	500	3,770
<b>Carrying amount</b>				
At 31 December 2020	387	382	555	1,324
At 31 December 2019	1,091	435	848	2,374

#### 11 Investment property

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Cost	-	12,460	-	-
Accumulated depreciation	-	(3,369)	-	-
Carrying amount	-	9,091	-	-

The carrying value of land and buildings comprises:

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Freehold	-	9,091	-	-

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Fixed asset investments

	Notes	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Investments in subsidiaries		-	-	13,670	24,996
<b>Movements in fixed asset investments</b>					
<b>Company</b>					<b>Shares in subsidiaries £000</b>
<b>Cost or valuation</b>					
At 1 January 2020					24,996
Impairment					(11,326)
At 31 December 2020					13,670
<b>Carrying amount</b>					
At 31 December 2020					13,670
At 31 December 2019					24,996

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Metnor Construction Ltd	UK	Ordinary	100.00
Metnor Group Ltd	UK	Ordinary	100.00
Norstead Ltd	UK	Ordinary	100.00
Metnor (Great Yarmouth) Ltd	UK	Ordinary	100.00
Hall Green Management Company Ltd	UK	Ordinary	100.00
Sharewave Ltd	UK	Ordinary	100.00
Metnor Quays Ltd	UK	Ordinary	100.00

### 14 Stocks

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Raw materials and consumables	473	476	-	-
Land held for development	1,841	3,624	-	-
	<u>2,314</u>	<u>4,100</u>	<u>-</u>	<u>-</u>

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 15 Debtors

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
<b>Amounts falling due within one year:</b>				
Trade debtors	9,258	12,477	-	-
Gross amounts owed by contract customers	1,221	6,947	-	-
Corporation tax recoverable	658	2,066	-	-
Amounts owed by group undertakings	-	-	159	154
Deferred tax asset	834	-	-	-
Other debtors	403	845	-	-
Prepayments and accrued income	6,038	5,878	-	-
	<u>18,412</u>	<u>28,213</u>	<u>159</u>	<u>154</u>

#### 16 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade creditors	8,659	12,875	-	-
Gross amounts owed to contract customers	3,558	567	-	-
Amounts owed to group undertakings	-	-	-	-
Other taxation and social security	1,506	815	-	-
Other creditors	141	39	-	-
Accruals and deferred income	4,713	7,156	-	-
	<u>18,577</u>	<u>21,452</u>	<u>-</u>	<u>-</u>

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £000	Liabilities 2019 £000	Assets 2020 £000	Assets 2019 £000
<b>Group</b>				
Accelerated capital allowances	-	66	58	-
Tax losses	-	(56)	776	-
	<u>-</u>	<u>10</u>	<u>834</u>	<u>-</u>

	Liabilities 2020 £000	Liabilities 2019 £000	Assets 2020 £000	Assets 2019 £000
<b>Company</b>				
Accelerated capital allowances	-	-	-	-
Tax losses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Group 2020 £000	Company 2020 £000
<b>Movements in the year:</b>		
(Liability)/Asset at 1 January 2020	(10)	-
Credit to profit or loss	844	-
Asset at 31 December 2020	<u>834</u>	<u>-</u>

The deferred tax asset set out above is expected to reverse and relates to the utilisation of tax losses against future expected profits of the same period.

#### 18 Retirement benefit schemes

	2020 £000	2019 £000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>839</u>	<u>279</u>



# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 18 Retirement benefit schemes

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 19 Loan Notes

	2020 £'000	2019 £'000
Loan notes	13,679	25,000

Loan notes with a value of £25,000,000 were issued on 23 August 2019. The loan notes are unsecured, bear no interest and are redeemable on demand.

The loan notes were issued as part of the consideration for the acquisition of SKR Holdings Limited on 23 August 2019. They are held by Stephen and Kim Rankin, the vendors of SKR Holdings Limited.

This transaction transferred the ownership of the business to the next generation. Stephen and Kim Rankin have given assurances to the group and company that they have no intention to seek repayment of any loan notes for at least a period of 12 months from the date of approval of these financial statements.

#### 20 Share capital

	2020 Number	2019 Number	2020 £000	2019 £000
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	100	100	-	-

#### 21 Cash generated from group operations

	2020 £000	2019 £000
Loss for the year after tax	(2,185)	(232)
<b>Adjustments for:</b>		
Taxation credited	(1,107)	(106)
Finance gains/costs	(23)	(11)
Loss/(gain) on disposal of tangible fixed assets	10	(30)
Loss on sale of subsidiary	150	-
Net assets acquired in excess of costs	-	(803)
Depreciation and impairment of tangible fixed assets	533	160
<b>Movements in working capital:</b>		
Decrease in stocks	136	23
Decrease/(increase) in debtors	19,456	(2,912)
(Decrease)/increase in creditors	(2,394)	8,985
<b>Cash generated from operations</b>	<b>14,576</b>	<b>5,074</b>

# IRANGO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 22 Cash generated from operations - company

	2020 £000	2019 £000
Profit/(loss) for the year after tax	-	(150)
<b>Adjustments for:</b>		
Write down of investment	11,320	23,250
Dividends received	(11,320)	(23,400)
Change in trade and other receivables	-	(154)
<b>Cash generated from operations</b>	<b>-</b>	<b>(154)</b>

#### 23 Analysis of changes in net funds - group

	1 January 2020 £000	Cash flows £000	31 December 2020 £000
Cash at bank and in hand	2,452	5,337	7,789

#### 24 Analysis of changes in net funds - company

	1 January 2020 £000	Cash flows £000	31 December 2020 £000
Cash at bank and in hand	-	-	-

#### 25 Reconciliations on adoption of FRS 102

##### Reconciliation of equity - group

	22 July 2019 £000	31 December 2019 £000
Equity as reported under previous UK GAAP and under FRS 102	-	-

# **IRANGO LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

### **26 Reconciliations on adoption of FRS 102**

#### **Reconciliation of group loss for the financial period**

Loss as reported under previous UK GAAP and under FRS 102

**2019  
£000**

**(232)**

No adjustments were identified under the transition.

### **27 Ultimate controlling parties**

The Company is joint and equally owned and controlled by Ben, Jack, Jessica and Tom Rankin.