

ACTION RENEWABLES ENERGY TRADING LIMITED

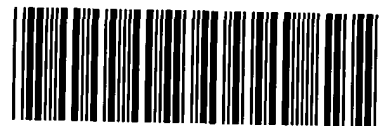
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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ACTION RENEWABLES ENERGY TRADING LIMITED

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ACTION RENEWABLES ENERGY TRADING LIMITED

STATEMENT OF FINANCIAL POSITION


AS AT 31 MARCH 2020

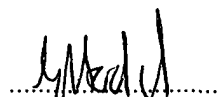
	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		86,243		70,142
Current assets					
Stocks		17,725		2,538	
Debtors	5	1,191,710		1,578,656	
Cash at bank and in hand		4,274,300		1,660,185	
		5,483,735		3,241,379	
Creditors: amounts falling due within one year	6	(5,569,977)		(3,311,520)	
Net current liabilities			(86,242)		(70,141)
Total assets less current liabilities			1		1
Capital and reserves					
Called up share capital	7		1		1

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 28/9/20 and are signed on its behalf by:


Mr J Buick
Director


Mr G Hodgkinson
Director

Company Registration No. NI603031

ACTION RENEWABLES ENERGY TRADING LIMITED

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

1 Accounting policies

Company information

Action Renewables Energy Trading Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is Block C Unit 1, Boucher Business Studios, Belfast, Antrim, BT12 6QH.

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 as applicable to companies subject to the small companies regime. 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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Action Renewables. These consolidated financial statements are available from its registered office, Block C Unit 1, Boucher Business Studios, Glenmachan Place, Belfast, BT12 6QH.

1.2 Going concern

The recent outbreak of COVID-19 has caused a global pandemic and the government has enforced a 'lockdown' as well as many restrictions on the general public and businesses across the whole economy. These unprecedented circumstances have caused an enormous amount of economic uncertainty and volatility. With 'lockdown' measures enforced the government have also put in place a number of measures to support the economy through what is hoped to be a short-term disruption and loss of trade for all businesses.

The directors have given due consideration to the current position and how this could impact trading. 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.

1.3 Revenue

Revenue 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.

ACTION RENEWABLES ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Revenue recorded by the company includes commissions receivable in the company's role as an agent for the principal in the sales process. Any third-party costs incurred on behalf of the principal that are rechargeable under the contractual arrangement, are not included in revenue. Commission is recognised when all revenue recognition criteria has been met.

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.

1.4 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:

Plant and machinery	7 years straight line
Fixtures, fittings & equipment	25% on cost
Computer equipment	25% on cost

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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company 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.

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.

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.

ACTION RENEWABLES ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.6 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 replacement cost and 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.

1.7 Cash at bank and in hand

Cash at bank and in hand 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.

1.8 Financial instruments

The company 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 company's statement of financial position 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 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.

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 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.

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.

ACTION RENEWABLES ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 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 income statement 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 company'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 income statement, 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 when the company has 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.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.12 Accrued income

Income for the financial year that has not yet been billed but that can be reliably estimated is included with accrued income.

ACTION RENEWABLES ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2 Total revenue

An analysis of the company's total revenue is as follows:

	2020 £	2019 £
Total revenue analysed by class of business		
Commission	1,727,731	1,579,229
Tenders	42,847	634
Other operating income	8,937	-
Other	153,977	171,778
	<u>1,933,492</u>	<u>1,751,641</u>

3 Employees

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

	2020 Number	2019 Number
Total	<u>5</u>	<u>6</u>

4 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 April 2019	17,862	18,894	93,510	130,266
Additions	-	5,444	38,091	43,535
At 31 March 2020	<u>17,862</u>	<u>24,338</u>	<u>131,601</u>	<u>173,801</u>
Depreciation and impairment				
At 1 April 2019	17,647	14,798	27,679	60,124
Depreciation charged in the year	203	3,629	23,602	27,434
At 31 March 2020	<u>17,850</u>	<u>18,427</u>	<u>51,281</u>	<u>87,558</u>
Carrying amount				
At 31 March 2020	<u>12</u>	<u>5,911</u>	<u>80,320</u>	<u>86,243</u>
At 31 March 2019	<u>215</u>	<u>4,096</u>	<u>65,831</u>	<u>70,142</u>

ACTION RENEWABLES ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Debtors		
	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	939,561	1,570,973
Other debtors	252,149	7,683
	<u>1,191,710</u>	<u>1,578,656</u>
6 Creditors: amounts falling due within one year		
	2020	2019
	£	£
Trade creditors	3,627,978	1,739,741
Amounts owed to group undertakings	1,674,233	1,057,108
Taxation and social security	-	162,899
Other creditors	267,766	351,772
	<u>5,569,977</u>	<u>3,311,520</u>
7 Called up share capital		
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary Share of £1 each	<u>1</u>	<u>1</u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Angela Craigan.
The auditor was Harbinson Mulholland.

9 Related party transactions

ACTION RENEWABLES ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Related party transactions

(Continued)

During the year, Action Renewables, a charity, and the parent company of Action Renewables Energy Trading Limited charged a management charge of £900,000 (2019: £740,000) to Action Renewables Energy Trading Limited. During the year ended 31 March 2020 the company agreed to make donations of £846,611 (2019: £713,092) to Action Renewables. The balance owed to Action Renewables at the year end was £1,570,843 (2019: £1,057,108).

During the year, Action Renewables Energy Trading Limited charge a management charge of £8,937 to Zevon Energy Limited (a subsidiary of Action Renewables). The balance owed to Zevon Energy Limited at the year end was £103,390 (2019: Nil).