

PPS Electrical Limited

Annual Report

Year ended 30 September 2016

Company registration number: 02996150

TUESDAY



A68Y1421

A15

20/06/2017

#186

COMPANIES HOUSE

Contents of the Annual Report

	Page
Company information	1
Strategic report	2-3
Report of the directors	4-6
Independent auditor's report	7
Profit and loss account/Statement of changes in equity	8
Balance sheet	9
Notes to the financial statements	10-19

PPS ELECTRICAL LIMITED

Company information

Directors	N P Houghton P Scott J P Mc Bain S Taylor Renew Corporate Director Limited
Secretary	Renew Nominees Limited
Registered office	Yew Trees Main Street North Aberford West Yorkshire LS25 3AA
Registered number	02996150
Auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA
Bankers	HSBC Bank plc 4th Floor, City Point 29 King Street Leeds LS1 2HL

Strategic Report

Principal activities

The principal activities of the company are unchanged from last year and consist of electrical and instrumentation engineering. The company operates from facilities in Barrow-in-Furness as well as the site at Sellafield in Cumbria.

Business model

The company engages in electrical and instrumentation engineering in specialist construction markets which remain very strong. The company has a very strong forward order book, including involvement in some long term framework arrangements, giving the Board confidence for the new financial year.

Business review and results

The directors are pleased with the results for the year and the financial position of the company.

The profit for the financial year after taxation was £427,000 (2015: £555,000). Dividends of £800,000 (2015: £1,000,000) have been paid in the year. The deficit of £373,000 (2015: £445,000) has been transferred from reserves.

Key performance indicators

The directors have established a number of key performance indicators which they use to measure and monitor the performance of the company in a number of different areas. These measures are set out in the table below.

The directors have set a target range for operating profit (before central management charges and exceptional items) as a % of sales as a key performance indicator for the business and this is reviewed each month.

The directors have established a target for repeat business of 90% in line with the group's strategy. The order target has been established as part of the boards drive to improve the quality and sustainability of the company's workload and to support the reliability of financial performance.

A safety record target based upon AIR is set annually, this year a target of 363 was established. The company achieved this objective.

	2016	2015
Operating profit % of sales		
Upper range target	7.0%	7.0%
Actual performance	6.2%	5.9%
Lower range target	4.0%	4.0%
Percentage of orders from repeat clients	99%	99%
Accident Incidence Rate (A.I.R.)	0	0

PPS ELECTRICAL LIMITED

Strategic Report (continued)

Principal risks and uncertainties

This annual report contains certain forward looking statements. These statements are made by the directors in good faith, based on the information available to them up to the time of approval of this report. Actual results may differ to those expressed in such statements, depending on a variety of factors. These factors include customer acceptance of the company's services, levels of demand in the market, restrictions to market access, competitive pressure on pricing or additional costs, failure to retain or recruit key personnel and overall economic conditions.

A risk inherent in the construction industry occurs in the nature, timing and contractual conditions which exist at the time of contract procurement. To mitigate these risks, the company has a system of pre-contract and pre-tender risk assessment whereby senior management, including the directors where appropriate, review and advise on specific issues arising in the contract procurement process. The company also seeks to limit its risks by specialising in certain markets where it has extensive experience and a particular skills base.

Derivatives and other financial instruments

The company's principal financial instruments comprise bank loans, cash and short-term deposits. The main purpose of these financial instruments is to provide finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk.

Liquidity risk

The company's policy is to ensure availability of operating funds by maintaining an appropriate cash balance in both current and deposit accounts and to establish appropriate levels of borrowing facilities to provide short-term flexibility. The company is a participant together with a number of fellow subsidiaries in the group banking arrangements of its ultimate holding company, Renew Holdings plc, and, as a result, has risks associated with the financial status and performance of the other companies within that group.

Credit risk

The company's principal financial assets are bank balances, cash, amounts recoverable on contracts and trade debtors, which represent maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its amounts recoverable on contracts and trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the company's management based on prior experience and their assessment of the current economic environment.

Future developments

The directors believe the company is well positioned to continue delivering profitable results in 2016/17. Target markets remain the same as last year but the company continues to be vigilant in looking for further opportunities to enhance trading performance.

Approval

The strategic report was approved by the Board on 18 November 2016 and signed on its behalf by:



John Samuel

For and on behalf of Renew Nominees Limited – Secretary
Company registered number is 02996150.

PPS ELECTRICAL LIMITED

Report of the Directors

The directors present their report and the audited financial statements for the year ended 30 September 2016.

Environment

The company's policy with regard to the environment is to ensure that the actual and potential environmental impact of its activities is understood and effectively managed. Operations are conducted so as to comply with all legal requirements relating to the environment in all areas where business is carried out. During the period covered by this report the company has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Directors

The directors and officers serving during the year and subsequently were:

N P Houghton	Director	
P Scott	Director	
J P McBain	Director	
S Taylor	Director	(Appointed 4 January 2016)
Renew Corporate Director Limited	Director	
Renew Nominees Limited	Secretary	

No director had a beneficial interest in the share capital of any subsidiary of Renew Holdings plc. No director (other than those whose interests are disclosed in the financial statements of the immediate parent undertaking or Renew Holdings plc) had interests in the share capital of Renew Holdings plc.

No director (other than those whose interests are disclosed in the financial statements of the immediate parent undertaking or Renew Holdings plc) was granted, or exercised, any options to subscribe in the shares of Renew Holdings plc during the year ended 30 September 2016.

Employee involvement and policy

The directors recognise the need for communication with employees at every level. All employees have access to a copy of the group annual report and financial statements, which together with regular staff briefings and internal notice board statements, keep them informed of progress within the company and the group.

The company continues to be committed to the health, safety and welfare of its employees and observe the terms of the Health & Safety at Work Act 1974 and subsequent legislation and regulations.

It is the policy of the company that there shall be no discrimination or less favourable treatment of employees or job applicants in respect of race, colour, ethnic or national origins, religion, sex, disability, political beliefs or marital status. The company engages, promotes and trains staff on the basis of their capabilities, qualifications and experience, without discrimination, giving all employees an equal opportunity to progress within the company. Full consideration will be given to suitable applications for employment from disabled persons where they have the necessary skills and abilities for that position, and wherever possible to re-train employees who become disabled, so that they can continue their employment in another position.

PPS ELECTRICAL LIMITED

Report of the Directors (continued)

Safety, Health and Environmental Policies

The company continues to strive to improve its safety, health and environmental (SHE) standards and performance. The SHE objectives are set by the group were monitored regularly throughout the year and these objectives reviewed in response to performance and changes in legislation.

All levels of management are required to undertake SHE monitoring activities, from SHE tours by directors to SHE surveys by senior managers and SHE inspections by site and workplace management.

It is the company's policy to report all accidents regardless of severity. Accident and incident reports are assessed to identify their main cause and analysed to identify trends and areas for improvement in the same way as for findings of inspection, tours and surveys.

The company recognises that effective training is important to the improvement of SHE performance. There is a regular programme of internal health and safety courses for all personnel. In addition several managers successfully completed the Site Safety Management Training Scheme, a five-day training course accredited and certificated by the Construction Industry Training Board.

Quality assurance

The company is committed to the achievement of quality. It operates a quality management system which complies with the requirements of BS EN ISO 9001:2008 and is audited on a continual basis by BSI Quality Assurance.

Disclosure of information to the auditor

At the date of making this report each of the company's directors, as set out on page 4, confirm the following:

- So far as each director is aware, there is no relevant information needed by the company's auditor in connection with preparing their report of which the company's auditor is unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

PPS ELECTRICAL LIMITED

Report of the Directors (continued)

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Pursuant of Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approval

The report of the directors was approved by the Board on 18 November 2016 and signed on its behalf by:



John Samuel

For and on behalf of Renew Nominees Limited – Secretary
Company registered number is 02996150.

Independent Auditor's Report to the Members of PPS Electrical Limited

We have audited the financial statements of PPS Electrical Limited for the year ended 30 September 2016 set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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.

Mick Thompson (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
18 November 2016

PPS ELECTRICAL LIMITED

Profit and Loss account

Year ended 30 September 2016

	Note	2016 £000	2015 £000
Turnover	1	17,631	22,223
Cost of sales		(15,050)	(19,329)
Gross profit		2,581	2,894
Administrative expenses		(2,130)	(2,342)
Profit on ordinary activities before taxation	2	451	552
Taxation	4	(24)	3
Profit for the financial year		427	555

All the company's activities are derived from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the historical cost equivalents.

The company has no recognised gains or losses other than the gains above and therefore no separate statement of comprehensive income has been presented

Statement of changes in equity

Year ended 30 September 2016

	Called up share capital £000	Profit and loss account £000	Total equity shareholders' funds £000
At 1 October 2014	-	2,652	2,652
Transfer from Profit and Loss		555	555
Dividend		(1,000)	(1,000)
At 30 September 2015	-	2,207	2,207
Transfer from Profit and Loss		427	427
Dividend		(800)	(800)
At 30 September 2016	-	1,834	1,834

PPS ELECTRICAL LIMITED

Balance Sheet

As at 30 September 2016

		2016		2015	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	5		8		37
Current assets					
Stocks and work in progress	6	8		8	
Debtors: due within one year	7	4,046		2,942	
Bank and cash		1,507		2,515	
		<u>5,561</u>		<u>5,465</u>	
Creditors - amounts falling due within one year	8	(3,735)		(3,295)	
		<u></u>		<u></u>	
Net current assets			1,826		2,170
			<u></u>		<u></u>
Net assets			1,834		2,207
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	10	-		-	
Profit and loss account		1,834		2,207	
		<u></u>		<u></u>	
Equity shareholders' funds			1,834		2,207
			<u></u>		<u></u>

The financial statements were approved by the Board on 18 November 2016 and signed on its behalf by:



John Samuel

For and on behalf of
Renew Corporate Director Limited
Director

PPS ELECTRICAL LIMITED

Notes to the financial statements

Year ended 30 September 2016

1 ACCOUNTING POLICIES

Basis of Financial Statements

PPS Electrical Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from UK GAAP, the Company has made the following measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in Note 16.

The Company's ultimate parent undertaking, Renew Holdings plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Renew Holdings plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Renew Holdings plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement Convention

The financial statements are prepared on the going concern basis and under the historical cost convention, the accounting policies set out below and in accordance with FRS 102.

In the transition to FRS 102 from UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in Note 16.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemption has been taken in these financial statements:

Business combinations – Business combinations that took place prior to the transition date have not been restated.

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

1 ACCOUNTING POLICIES (continued)

1.2 Going Concern Basis

The directors have reviewed the company's cash flow and operating forecasts and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result the directors believe that the going concern basis is appropriate for the preparation of these financial statements.

1.3 Accounting Estimates and Judgements

In the preparation of these financial statements the Board has made certain judgements and estimates which impact the measurement of various assets and liabilities in the balance sheet, the value of transactions recorded in the profit and loss account and the movements in equity as shown in the statement of changes in equity. Estimates and judgements are reviewed by management and the Board on an ongoing basis and changes which may arise in them are reflected in the financial statements for the period in which such changes are made. The Board has determined that the following area is the one in which estimates and judgements have been made and where material impacts could arise in the financial statements were such estimates and judgements to be varied:

FRS 102 requires management to estimate the total expected costs on a contract and the stage of contract completion in order to determine both the turnover and profit to be recognised in an accounting period. The Company has control and review procedures in place to monitor, and evaluate regularly, the estimates being made to ensure that they are consistent and appropriate. This includes reviewing the independent certification of the value of work done, the progress of work against contracted timescales and the costs incurred against plan.

1.4 Turnover

Turnover represents the invoiced amount of goods sold and services provided less returns and allowances, excluding value added tax. In the case of construction contracts, turnover is recognised when the outcome of the contract can be estimated reliably and represents the sales value of work done during the year by reference to the stage of completion of the contract activity. Stage of completion is calculated through measurements of work performed. Turnover is generated entirely in the UK, and the company continues to operate within a single business segment, construction and civil engineering.

1.5 Construction Contract Debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date less a provision for foreseeable losses and less progress billings. Variations are included in contract turnover when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract turnover only when they are reliably measurable and negotiations have reached the stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as payments received on account in the balance sheet.

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

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 is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.7 Impairment excluding Stocks and Deferred Tax Assets

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

1.8 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Plant and machinery:	5 – 8 years
Fixtures & fittings:	3 years
Motor vehicles:	4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.9 Pension Commitments

The company operates defined contribution schemes in respect of certain employees. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

1 ACCOUNTING POLICIES (continued)

1.10 Leased Assets

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Operating leases

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

In accordance with FRS 102 'The Financial Standard', deferred tax is not provided on permanent timing differences.

Unrelieved tax losses and other 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.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

1.12 Basic Financial Instruments – Trade and Other Debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

1.13 Related Party Transactions

Interest is not charged on balances outstanding with fellow subsidiaries as they are repayable on demand.

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

2	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2016 £000	2015 £000
	Profit on ordinary activities before taxation is after charging:		
	Depreciation of owned assets	37	46
	Hire of plant and machinery	46	42
	Group management charge	650	771
	Operating lease rentals – land and buildings	25	25
		<hr/>	<hr/>

The auditor's remuneration is borne by a fellow subsidiary undertaking.

3	DIRECTORS AND EMPLOYEES	2016 No.	2015 No.
	The average monthly number of employees including directors		
	Manufacturing	173	200
	Administration	7	7
		<hr/>	<hr/>
		180	207
		<hr/>	<hr/>

	£000	£000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	7,046	8,128
Social security costs	752	1,041
Other pension costs	123	140
Other compensation costs	-	45
	<hr/>	<hr/>
	7,921	9,354
	<hr/>	<hr/>

Directors' emoluments:

Aggregate emoluments	66	127
Company contributions to defined contribution scheme	4	13
	<hr/>	<hr/>
	70	140
	<hr/>	<hr/>

There was one director accruing retirement benefits under personal pension schemes (2015:1).

Highest paid director:

Aggregate emoluments	66	127
Defined contribution scheme pension contributions	4	13
	<hr/>	<hr/>
	70	140
	<hr/>	<hr/>

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

4 TAXATION

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £000	2015 £000
Current tax		
Current tax on income for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	24	(3)
Total tax charge/(credit)	24	(3)

Reconciliation of effective tax rate

	2016 £000	2015 £000
Profit for the year	451	552
Tax using the UK corporation tax rate of 20% (2015: 20.5%)	90	113
Deferred tax timing differences	24	(3)
Group relief	(90)	(113)
Total tax expense included in profit or loss	24	(3)

5 TANGIBLE FIXED ASSETS

	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost				
At 1 October 2015	378	70	27	475
Additions	-	8	-	8
At 30 September 2016	378	78	27	483
Depreciation				
At 1 October 2015	344	67	27	438
Charge for year	33	4	-	37
At 30 September 2016	377	71	27	475
Net book value				
At 30 September 2016	1	7	-	8
At 30 September 2015	34	3	-	37

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

6 STOCKS AND WORK IN PROGRESS

	2016 £000	2015 £000
Raw materials and consumables	8	8

7 DEBTORS

	2016 £000	2015 £000
Amounts due within one year		
Trade debtors	1,590	1,168
Amounts owed by group undertakings	1,012	993
Amounts recoverable on contracts	1,230	706
Deferred tax (see note 9)	14	38
Other taxes	-	27
Prepayments and accrued income	200	10
	<u>4,046</u>	<u>2,942</u>

8 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Payments received on account	890	-
Trade creditors	1,048	1,141
Amounts owed to group undertakings	684	778
Other taxes and social security	249	205
Other creditors	212	340
Accruals and deferred income	652	831
	<u>3,735</u>	<u>3,295</u>

9 DEFERRED TAXATION

The movement in deferred tax is as follows:

	Deferred tax asset £000
At 1 October 2015	38
Profit and loss credit	(24)
	<u>14</u>
At 30 September 2016	14
	<u>14</u>

	2016 £000	2015 £000
Accelerated capital allowances	14	38

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

10 SHARE CAPITAL

	2016 £000	2015 £000
Allotted, issued and fully paid 1,000 (2015: 1,000) ordinary shares of 5p each	-	-

11 OTHER FINANCIAL COMMITMENTS

The company had no capital commitments at the year-end (2015: Nil).

The company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2016 £000	2015 £000
Operating leases expiring:		
Within one year	25	25
Between two and five years	56	81
	<hr/>	<hr/>
	81	106
	<hr/>	<hr/>

12 PENSION COMMITMENTS

The company does not operate its own pension schemes.

The company contributes directly to personal money purchase pension plans on behalf of certain directors and employees who have opted to sacrifice a portion of their salary accordingly.

During the year the company has made payments of £125,000 (2015: £137,000) into defined contribution pension schemes. There were £9,000 (2015: £11,000) of liabilities outstanding at the year-end.

12 CONTINGENT LIABILITIES

Under the terms of a group debenture and guarantee, a fixed and floating charge over the net assets of the company has been granted to HSBC Bank plc.

13 CASH FLOW STATEMENT AND RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Renew Holdings plc and is included in the consolidated financial statements of Renew Holdings plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard'.

The company is also exempt under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard' from disclosing related party transactions with Renew Holdings plc or subsidiaries, which are 100% owned, by Renew Holdings plc. There are no other related party transactions.

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

14 PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Shepley Engineers Limited which is a wholly-owned subsidiary of Renew Holdings plc both of which are incorporated in England and Wales. The smallest and largest group for which consolidated financial statements are prepared is Renew Holdings plc.

The registered address for the company, its immediate parent and Renew Holdings plc which is the ultimate holding company, is Yew Trees, Main Street North, Aberford, West Yorkshire LS25 3AA. Copies of the financial statements can be obtained from the Company Secretary at that address.

15 DIVIDENDS

	2016 £000	2015 £000
Interim dividend of £800 (2015: £1,000) per ordinary share	800	1,000

16 EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS 102. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 30 September 2016 and the comparative information presented in these financial statements for the year ended 30 September 2015.

In preparing its FRS 102 balance sheet the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting UK GAAP. An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables.

Reconciliation of equity	1 October 2014 comparative			30 September 2015 comparative		
	UK GAAP	Effect of FRS 102 transition	FRS 102	UK GAAP	Effect of FRS 102 transition	FRS 102
	£000	£000	£000	£000	£000	£000
Fixed Assets						
Tangible assets	83	-	83	37	-	37
Current assets						
Stocks and work in progress	8		8	8	-	8
Debtors due within one year	2,681	17	2,698	2,925	17	2,942
Cash at bank and in hand	1,997	-	1,997	2,515	-	2,515
Total current assets	4,686	17	4,703	5,448	17	5,465
Creditors: amounts due within one year	(2,040)	(94)	(2,134)	(3,198)	(97)	(3,295)
Net current assets	2,646	(77)	2,569	2,250	(80)	2,170
Net assets	2,729	(77)	2,652	2,287	(80)	2,207
Capital and reserves						
Share capital	-	-	-	-	-	-
Profit and loss	2,729	(77)	2,652	2,287	(80)	2,207
Equity shareholder funds	2,729	(77)	2,652	2,287	(80)	2,207

PPS ELECTRICAL LIMITED

Notes to the financial statements (continued)

Year ended 30 September 2016

16 EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP (continued)

Notes to the reconciliation of equity

Under FRS 102 "an entity shall recognise the cost of all employee benefits to which its employees have become entitled as a result of service rendered to the entity during the reporting period." Consequently holiday pay accruals under FRS 102 are included within accruals, and the balance sheet creditor has been adjusted accordingly. Deferred tax has been provided on this timing difference, and therefore debtors falling due within one year has also been adjusted.

Reconciliation of profit/loss for the year ended 30 September 2015

	UK GAAP £000	Effect of FRS 102 transition £000	FRS 102 £000
Turnover	22,223	-	22,223
Cost of sales	(19,329)	-	(19,329)
Gross Profit	2,894	-	2,894
Admin expenses	(2,339)	(3)	(2,342)
Profit before tax	555	(3)	552
Taxation	3	-	3
Profit for the financial year	558	(3)	555

Notes to the reconciliation of profit for the year

Holiday pay accrual was higher in 2015 than the previous year resulting in a £3,000 credit to administrative expenses. The net effect of the transition to FRS 102 was to reduce the profit for the financial year by £3,000.