

# RENEWAL GROUP LIMITED

Directors' report & financial  
statements for the year ended

31<sup>st</sup> December 2020

Company Number 126986C

# RENEWAL GROUP LIMITED

## Company Information

Directors	D. J. Morgan A. L. Slee M. H. Malik M. Angst
Secretary	Eight Secretaries Limited
Company Number	126986C (Isle of Man)
Registered Office	8 St. George's Street Douglas Isle of Man IM1 1AH
Auditors	BDO LLP 55 Baker Street London W1U 7EU

# RENEWAL GROUP LIMITED

## Contents

	<b>Page</b>
Directors' report	1 - 2
Auditor's report	3 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the financial statements	9 - 14
<i>The following page does not form part of the statutory accounts:</i>	
Detailed profit and loss account	15 - 16

**Directors' report**  
**For the year ended 31<sup>st</sup> December 2020**

The directors present their report and the audited financial statements for the year ended 31<sup>st</sup> December 2020.

**Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Principal activity**

The company's principal activity is property investment and development.

**Results and dividends**

The results of the company are set out in the Statement of Comprehensive Income on page 6. The directors do not recommend the payment of a dividend (2019 - £nil).

**Directors**

The directors who held office during the year and their beneficial interests in the company's issued ordinary share capital were:

	<b>Number of shares</b>	
	<b>2020</b>	<b>2019</b>
D. J. Morgan	<b>Nil</b>	Nil
A. L. Slee	<b>Nil</b>	Nil
M. H. Malik	<b>Nil</b>	Nil
M. Angst	<b>Nil</b>	Nil

**Provision of information to auditor**

Each of the persons who are directors at the time when this director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

## **Directors' report** **For the year ended 31<sup>st</sup> December 2020**

---

The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

In preparing this report, the directors have taken advantage of the small companies exemption in accordance with the Companies Act 1931 to 2004.

This report was approved by the Board of Directors on 26th May 2021



.....  
**For and on behalf of Eight Secretaries Limited**  
**Secretary**

**Auditor's report  
For the year ended 31<sup>st</sup> December 2020**

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENEWAL GROUP LIMITED****Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its 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 Isle of Man Companies Acts 1931 to 2004.

We have audited the financial statements of Renewal Group Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**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 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.

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

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.

## **Auditor's report** **For the year ended 31<sup>st</sup> December 2020**

---

We have nothing to report in this regard.

### **Other Companies Act 1931 to 2004 reporting**

We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 us to report to you if, in our opinion:

- proper books of accounts have not been kept by the Company and proper returns adequate for our audit have not been received from branches not visited by us; or
- the Company's primary financial statements which comprise the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity are not in agreement with the books of accounts and returns; or
- certain disclosures of Directors' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' responsibilities in the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

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 identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included enquiring of management including obtaining and reviewing supporting documentation concerning management's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

## Auditor's report For the year ended 31<sup>st</sup> December 2020

---

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

### Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Section 15 of the Isle of Man Companies Act 1982. 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.

DocuSigned by:

**BDO LLP**

9AC8C079A40044A...

**BDO LLP**

Chartered Accountants

London

United Kingdom

Date 26 May 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**Statement of Comprehensive Income**  
**For the year ended 31<sup>st</sup> December 2020**

	Note	2020 £	2019 £
UK Rental Income	2c	2,320,842	2,663,587
UK Rental Expenses	2c	(1,854,121)	(2,206,641)
<b>Net rental income</b>		<b>466,721</b>	<b>456,946</b>
Administrative expenses		(905)	(905)
Other expenses		(4,180)	(4,180)
Non – UK rental consultancy & legal fees		(1,588,271)	(2,625,111)
<b>Operating loss</b>	<b>5</b>	<b>(1,126,635)</b>	<b>(2,173,250)</b>
Interest receivable		-	-
Interest on bank loan		(247,834)	-
Interest on shareholder loans	13	(3,832,734)	(3,936,975)
Foreign exchange gain		-	32
<b>Loss on ordinary activities before taxation</b>		<b>(5,207,203)</b>	<b>(6,110,193)</b>
Taxation	4	-	-
<b>Loss on ordinary activities after taxation and</b>			
<b>Total comprehensive loss for the year</b>		<b>(5,207,203)</b>	<b>(6,110,193)</b>

The Directors consider that all results derive from continuing activities.

There were no recognised gains or losses for 2020 or 2019 other than those included in the Statement of Comprehensive Income.

The notes on pages 9 to 14 form part of these financial statements.

**Statement of Financial Position**  
**As at 31<sup>st</sup> December 2020**  
**Company Number 126986C (Isle of Man)**

	Note	£	2020 £	2019 £
<b>Fixed assets</b>				
Investments	6		2,110	2,110
<b>Current assets</b>				
Stock	7	42,831,424		41,970,154
Debtors	8	17,225,049		16,528,124
Cash at bank		15,301		26,270
		<u>60,071,774</u>		<u>58,524,548</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(11,385,078)</u>		<u>(18,355,550)</u>
<b>Net current assets</b>			<u>48,686,696</u>	<u>40,168,998</u>
<b>Total assets less current liabilities</b>			<u>48,688,806</u>	<u>40,171,108</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(84,079,051)</u>	<u>(70,354,150)</u>
<b>Net liabilities</b>			<u><u>(35,390,245)</u></u>	<u><u>(30,183,042)</u></u>
<b>Capital and reserves</b>				
Called up share capital	11		2	2
Retained earnings	12		<u>(35,390,247)</u>	<u>(30,183,044)</u>
<b>Deficit in shareholders' funds</b>			<u><u>(35,390,245)</u></u>	<u><u>(30,183,042)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – Small Entities.

The financial statements were approved by the board of directors on 26<sup>th</sup> May 2021 and signed on their behalf by:

  
.....  
**D.J.Morgan**  
**Director**

  
.....  
**A.L.Slee**  
**Director**

**Statement of Changes in Equity**  
**For the year ended 31<sup>st</sup> December 2020**

	<b>Share Capital £</b>	<b>Retained Earnings £</b>	<b>Total Deficit £</b>
<b>At 1<sup>st</sup> January 2019</b>	2	(24,072,851)	(24,072,849)
Comprehensive loss for the year	-	(6,110,193)	(6,110,193)
	<hr/>	<hr/>	<hr/>
<b>At 31<sup>st</sup> December 2019</b>	<u>2</u>	<u>(30,183,044)</u>	<u>(30,183,042)</u>
<b>At 1<sup>st</sup> January 2020</b>	2	(30,183,044)	(30,183,042)
Comprehensive loss for the year	-	(5,207,203)	(5,207,203)
	<hr/>	<hr/>	<hr/>
<b>At 31<sup>st</sup> December 2020</b>	<u>2</u>	<u>(35,390,247)</u>	<u>(35,390,245)</u>

**Notes to the financial statements  
For the year ended 31<sup>st</sup> December 2020**

---

**1. General Information**

Renewal Group Limited is a private company, limited by shares, incorporated in the Isle of Man under the Companies Act 1931-2004. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the Directors' report.

**2. Summary of significant accounting policies****a) Basis of preparation of financial statements**

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities.

The preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

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 on the historical cost basis.

The financial statements contain information about Renewal Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the exemption conferred by Section 4 of the Isle of Man Companies Act 1982.

**b) Going Concern**

The Directors consider that the Company has a reasonable expectation of continuing operations for the foreseeable future, despite the turbulent economic climate caused by the Covid 19 pandemic. In August 2020 the Directors successfully completed the loan refinance with the company's principal bankers, which the Directors believe will give the business more than ample cash flow to continue plans for the redevelopment of the company's property assets. This also gives sufficient working capital and therefore the Directors believe they will be able to continue as a going concern. These financial statements have therefore been prepared on the going concern basis, which is dependent on the continued support of the beneficial owners as detailed in Note 10.

**c) Income and Expenses**

All income and expenses have been accounted for on an accruals basis.

**d) Stock**

Stock comprises freehold properties which are shown at their original cost, including building and renovation expenses and costs associated in obtaining planning permission. Stock is held at the lower of cost and net realisable value.

**e) Financial assets**

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

**f) Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instruments contractual obligations, rather than the financial instruments legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including costs) and subsequently held at amortised cost.

## Notes to the financial statements For the year ended 31<sup>st</sup> December 2020

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made no judgements that could have a material effect on the result of shareholders' funds.

### 4. Taxation

Income tax for companies in the Isle of Man is zero percent, so no provision has been made in these financial statements.

The company is subject to UK corporation tax on its UK net rental income at the corporation tax rate of 19%.

	2020 £	2019 £
UK corporation taxation at 19.25% (2019: 20%) on net rental income	-	-

### 5. Operating Loss

	2020 £	2019 £
This has been arrived at after charging:		
Auditors' remuneration – audit services	15,000	12,000
Bank loan interest	247,834	234,864
	<u>262,834</u>	<u>246,864</u>

During the year, no director received any emoluments (2019 - £Nil). There were no employees other than the Directors.

### 6. Investments

	2020 £	2019 £
Renewal Brands Limited	100	100
Renewal One Limited	1	1
Renewal Two Limited	1	1
Renewal Three Limited	1	1
Renewal Four Limited	1	1
Renewal Five Limited	1	1
Renewal Six Limited	1	1
Renewal Seven Limited	1	1
Renewal Eight Limited	1	1
Renewal Nine Limited	1	1
Renewal Ten Limited	1	1
Renewal Limited	2,000	2,000
	<u>2,110</u>	<u>2,110</u>

All of the above companies are incorporated in the Isle of Man. They are all 100% owned and the investment is in the ordinary share capital with a nominal value of £1.

## Notes to the financial statements For the year ended 31<sup>st</sup> December 2020

### 7. Stock

The stock is made up of freehold properties which are shown at their original cost, including building and renovation expenses and costs associated in obtaining planning permission. The properties have not been formally revalued as in the opinion of the Directors no useful purpose would be served. The Directors are of the opinion that they are worth not less than the cost shown.

	2020 £	2019 £
Stock	<b>42,831,424</b>	41,970,154

### 8. Debtors

	2020 £	2019 £
Trade debtors	<b>589,289</b>	555,002
Prepaid loan arrangement fee	<b>253,610</b>	-
Renewal Limited	<b>9,197,704</b>	9,194,764
Renewal Holdings Limited	<b>1,995,171</b>	1,763,869
Renewal New Bermondsey Two Limited	<b>3,507,737</b>	3,507,737
Surrey Canal Sports Foundation	<b>1,681,538</b>	1,506,752
	<b>17,225,049</b>	16,528,124

All the loans are unsecured and interest free and are repayable on demand.

All other amounts shown under debtors fall due for payment within one year.

## Notes to the financial statements

### For the year ended 31<sup>st</sup> December 2020

#### 9. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	396,348	343,933
Rental deposits	237,095	216,492
Trade creditors	737,742	919,237
Deposit Protection Scheme	36,368	41,334
Deferred rental income	1,208,852	1,052,618
Incorporated Holdings Limited	8,727,881	8,691,256
Independent Advisors Incorporated	40,792	40,680
RBS bank loan	-	7,050,000
	<u>11,385,078</u>	<u>18,355,550</u>

The loan from Incorporated Holdings Limited was unsecured, had no fixed repayment date and interest was charged at 10/20% per annum depending on what the loan was required for until 28<sup>th</sup> December 2018, when the loan became unsecured, interest is charged at 10% per annum and the loan became repayable on 31<sup>st</sup> December 2028. The figure of £8,727,881 remaining in creditors: amounts falling due within one year represents the now disallowed 10% element of the 20% interest rate which accrued from May 2013 to 31<sup>st</sup> December 2020, together with additional monies loaned during the year.

The loan from Independent Advisors Incorporated was unsecured, had no fixed repayment date and interest was charged at 10% per annum until 28<sup>th</sup> December 2018, when the loan became unsecured, interest is charged at 10% per annum and the loan became repayable on 31<sup>st</sup> December 2028. The figure of £40,792 represents interest at 10% on the outstanding loan from 1<sup>st</sup> January 2019 until 31<sup>st</sup> December 2020.

#### 10. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loan	20,000,000	-
Incorporated Holdings Limited	63,265,222	69,581,001
Independent Advisors Incorporated	813,829	773,149
	<u>84,079,051</u>	<u>70,354,150</u>

The loan from Incorporated Holdings Limited is unsecured, interest is charged at 10% per annum and the loan is repayable on 31<sup>st</sup> December 2028. The Directors of Incorporated Holdings Limited have confirmed that the total repayment of the loan will not be sought until all other liabilities of the company have been met. On 18<sup>th</sup> September 2020 Renewal Group Limited repaid £12,674,199 of this loan to Incorporated Holdings Limited.

The loan from Independent Advisors Incorporated is unsecured, interest is charged at 10% per annum and the loan is repayable on 31<sup>st</sup> December 2028.

The RBS bank loan is secured over certain property assets held within stock and expired on 7<sup>th</sup> April 2020. On 7<sup>th</sup> August 2020 the company entered into a new facility agreement for £21.6m, secured on similar assets, extending the loan until 6<sup>th</sup> August 2025 on similar terms. At the year end £20m of this loan had been drawn down, with the balance of £1.6m being drawn down in February 2021.

## Notes to the financial statements For the year ended 31<sup>st</sup> December 2020

### 10. Creditors: amounts falling due after more than one year continued

The maturity of sources of debt finance are as follows:

	2020 £	2019 £
In more than one year but not more than two years	-	-
In more than two years but not more than five years	20,000,000	-
In more than five years	64,079,051	70,354,150
	<u>84,079,051</u>	<u>70,354,150</u>

### 11. Called up share capital

	2020 £	2019 £
<b>Authorised</b>		
2,000 ordinary shares of £1 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
<b>Issued and fully paid</b>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 12. Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

### 13. Related Party Transactions

During the year the company had a number of loans with companies which are related parties due to common ownership. During the year cash was loaned between the various companies resulting in the following year end balances.

Amounts owed by these companies at the year end were as follows:

	2020 £	2019 £
Renewal Limited	9,197,704	9,194,764
Renewal Holdings Limited	1,995,171	1,763,869
Renewal New Bermondsey Two Ltd	3,507,737	3,507,737
	<u>14,700,612</u>	<u>14,466,370</u>



## Notes to the financial statements

### For the year ended 31<sup>st</sup> December 2020

#### 13. Related Party Transactions continued

Amounts owed to these companies at the year end were as follows:

	2020 £	2019 £
Incorporated Holdings Limited	71,993,104	78,272,258
Independent Advisors Incorporated	854,621	813,829
	<u>72,847,725</u>	<u>79,086,087</u>

Included within the above are the following amounts of interest charged to the company as follows:

	2020 £	2019 £
Incorporated Holdings Limited	3,791,942	3,896,295
Independent Advisors Incorporated	40,792	40,680
	<u>3,832,734</u>	<u>3,936,975</u>

#### 14. Controlling Party

The company is a wholly owned subsidiary of Renewal Holdings Limited, a company incorporated in the Isle of Man. The balance on the loan account is detailed in Note 8.

Renewal Holdings Limited is owned 50% by Independent Advisors Incorporated and 50% by Incorporated Holdings Limited.

Independent Advisors Incorporated is a company incorporated in the Isle of Man. The balance on the loan account with Independent Advisors Incorporated is detailed in Note 9 and 10.

Incorporated Holdings Limited is ultimately owned by the Bulgham Charitable Trusts, an Isle of Man discretionary Settlement. David Morgan and Amy Slee are directors of Renewal Holdings Limited and Incorporated Holdings Limited. They are also directors of St James's Trustees Limited, a Trustee of The Bulgham Charitable Trusts. The balance on the loan account with Incorporated Holdings Limited is detailed in Note 9 and 10.

Renewal Limited, a company incorporated in the Isle of Man, is a wholly owned subsidiary of the company. The balance on the loan account is detailed in Note 8.

The accounts of Renewal Group Limited, Renewal Holdings Limited, Renewal Limited and Incorporated Holdings Limited are available to the public and may be obtained from 8 St. George's Street, Douglas, Isle of Man, IM1 1AH.

**Detailed profit and loss account**  
**For the year ended 31<sup>st</sup> December 2020**

	Note	£	2020 £	2019 £
<b>Turnover</b>			-	-
<b>Cost of Sales</b>				
Opening stock	2d/7	41,970,154		40,585,069
Purchases	7	861,270		1,385,085
		<u>42,831,424</u>		<u>41,970,154</u>
Closing stock	2d/7	(42,831,424)		(41,970,154)
<b>Gross profit</b>			-	-
<b>Rental Income</b>	2c			
UK Rental income			2,207,934	2,546,494
Service charges			112,908	117,093
			<u>2,320,842</u>	<u>2,663,587</u>
<b>Rental Expenses</b>	2c			
Accountancy and administration fees		31,207		24,308
Bad debts		5,178		54,997
Bank charges		1,006		1,443
Directors' fees		1,000		1,495
Light and Heat		5,500		4,428
IHL Management fees		472,971		521,667
Insurance		58,358		98,372
Legal and professional fees		262,265		204,873
Loan arrangement fees		17,379		-
Loan interest		-		234,864
Management fees		914,480		914,480
Office costs		1,323		1,098
Rates		7,507		1,844
Repairs and maintenance		75,947		142,772
			<u>(1,854,121)</u>	<u>(2,206,641)</u>
<b>Net Rental income before taxation</b>			466,721	456,946
<b>Administrative Expenses</b>				
Filing fees and registered office fee		905		905
			<u>(905)</u>	<u>(905)</u>
<b>Other expenses</b>				
Subsidiary expenses		4,180		4,180
Non – UK rental consultancy & legal fees		1,588,271		2,625,111
			<u>(1,592,451)</u>	<u>(2,629,291)</u>
<b>Operating loss</b>	5		(1,126,635)	(2,173,250)

**Detailed profit and loss account (continued)**  
**For the year ended 31<sup>st</sup> December 2020**

---

Interest on bank loan		(247,834)	-
Interest on shareholder loans	13	(3,832,734)	(3,936,975)
Foreign exchange gain		-	32
		<u>          </u>	<u>          </u>
Loss on ordinary activities before taxation		<u>(5,207,203)</u>	<u>(6,110,193)</u>