



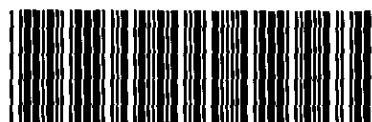
# **Melton Renewable Energy (Holdings) Limited**

**Annual report and unaudited financial statements**

for the year ended 30 June 2023

Registered number: 05375886

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## **Company information**

### **Directors**

M J Bullard  
E W Fellows  
E J Wilkinson

### **Secretary**

Octopus Company Secretarial Services Limited.  
6<sup>th</sup> Floor  
33 Holborn  
London  
EC1N 2HT

### **Bankers**

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

### **Registered office**

6<sup>th</sup> Floor  
33 Holborn  
London  
England  
EC1N 2HT

## Directors' report for the year ended 30 June 2023

The directors present their annual report and the unaudited financial statements for Melton Renewable Energy (Holdings) Limited (the "company") for the year ended 30 June 2023.

### Principal activities and business review

The company's sole activity is to hold shares in Melton Renewable Energy Newco Limited ("MREN"). MREN's sole activity is to hold shares in EPR Renewable Energy Limited ("EREL"). EREL's sole activity is to hold shares in Energy Power Resources Limited ("EPRL").

EPRL and its subsidiaries collectively represent the "Biomass division" of the Melton Renewable Energy UK Limited group.

The primary activity of the Biomass division is the operation of five electricity power stations (in total approximately 111MWs capacity) and the marketing and sale of potash and phosphate fertiliser, branded as Fibrophos.

The results of the company for the year ended 30 June 2023 and its financial position as at that date were satisfactory and broadly in line with expectations.

### Dividends and results

The results of the company show a profit for the financial year of £5,789,000 (2022: £9,621,000). Dividend income from shares in group undertakings of £7,000,000 was received in the year (2022: £11,000,000).

Ordinary dividends of £7,000,000 were paid during the year (2022: £11,000,000).

### Directors

The directors of the company, who held office during the year and up to the date of signing the financial statements, are given below:

E J Wilkinson

M J Bullard (appointed 24 January 2023)

E W Fellows (appointed 12 December 2022)

P S Latham (resigned 12 December 2022)

M G Setchell (resigned 24 January 2023)

### Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 was in force throughout the financial year and at the date of approval of the financial statements, for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of approval of the financial statements.

### Going concern

The company has made a profit of £5,789,000 for the year ended 30 June 2023. It is in a net asset position of £33,414,000 as at 30 June 2023 and is expecting to trade profitably in the foreseeable future based on forecasts. Based on these facts, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future and for at least 12 months from the point of approving this annual report and financial statements. The company therefore continues to adopt the going concern basis in preparing the annual report and financial statements.

## Directors' report for the year ended 30 June 2023

### Financial risk management

The company's operations expose it to limited financial risk that include liquidity risk.

Given the size of the company, the directors have not delegated responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

#### *Liquidity risk*

The company maintains cash balances and has access to short-term finance so as to ensure the company has sufficient available funds for operations.

### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the 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; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

### Audit exemption

The company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the "Act") and the members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2023 in accordance with section 476 of the Act. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

## **Directors' report for the year ended 30 June 2023**

### **Small company exemptions**

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

The directors have taken advantage of the small companies' exemptions provided by section 414B of the Companies Act 2006 not to provide a strategic report.

**The report was approved by the board on 29 February 2024 and signed on its behalf by:**



**E J Wilkinson**  
**Director**

**Statement of income and retained earnings  
for the year ended 30 June 2023**

	Note	2023 £000s	2022 £000s
Income from shares in group undertakings	9	7,000	11,000
<b>Profit before interest and taxation</b>		<b>7,000</b>	<b>11,000</b>
Interest payable and similar charges	6	(1,523)	(1,702)
<b>Profit before taxation</b>		<b>5,477</b>	<b>9,298</b>
Taxation	7	312	323
<b>Profit for the financial year</b>	15	<b>5,789</b>	<b>9,621</b>
 <b>Retained earnings brought forward</b>		 <b>11,900</b>	 <b>13,279</b>
Profit for the financial year		5,789	9,621
Dividends	8	(7,000)	(11,000)
<b>Retained earnings carried forward</b>	15	<b>10,689</b>	<b>11,900</b>

All items dealt with in the statement of income and retained earnings above relate to continuing operations.

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.

The company has no other comprehensive income other than the results above and therefore no separate statement of comprehensive income has been prepared.

The notes on pages 7 to 14 form an integral part of these financial statements.

**Balance sheet**  
**as at 30 June 2023**

	<i>Note</i>	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	9	1,000	1,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	54,533	54,271
Cash at bank and in hand		4	54
		54,537	54,325
<b>Creditors: amounts falling due within one year</b>	11	(8,273)	(6,850)
<b>Net current assets</b>		46,264	47,475
<b>Total assets less current liabilities</b>		47,264	48,475
<b>Creditors: amounts falling due after one year</b>	12	(13,850)	(13,850)
<b>Net assets</b>		33,414	34,625
<b>Capital and reserves</b>			
Called up share capital	14	22,725	22,725
Retained earnings	15	10,689	11,900
<b>Total shareholders' funds</b>	16	33,414	34,625

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with FRS 102 Section 1A, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

For the year ended 30 June 2023 the directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006 (the "Act") and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 5 to 14 were approved by the board of directors on 29 February 2024 and were signed on its behalf by:



**E J Wilkinson**  
**Director**

Registered number: 05375886

The notes on pages 7 to 14 form an integral part of these financial statements.

## Notes to the financial statements for the year ended 30 June 2023

### 1. General information

Melton Renewable Energy (Holdings) Limited's sole activity is to hold shares in Melton Renewable Energy Newco Limited.

The company is a private company limited by shares and is incorporated and registered in England, United Kingdom, company number: 05375886. The address of its registered office is at 6<sup>th</sup> Floor, 33 Holborn, London, England, EC1N 2HT.

### 2. Statement of compliance

The financial statements of Melton Renewable Energy (Holdings) Limited have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102 Section 1A, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2006.

### 3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

#### ***Basis of preparation***

The financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, including FRS 102 Section 1A "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### ***Group financial statements***

The company has taken advantage of the exemption available under section 400 of the Companies Act 2006 not to prepare consolidated financial statements, on the basis that the company's holding company is Melton Renewable Energy UK Limited, a company established under UK law that prepares consolidated financial statements.

#### ***Related parties***

The company is exempt from disclosing transactions with related entities, these being other 100% owned subsidiaries of Fern Trading Limited, as required by FRS 102, paragraph 33.1A.

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

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

#### ***Investments***

The company's investments in subsidiary undertakings are stated at cost less and where applicable, amounts written off to reflect the value of the underlying net assets of the investment at the balance sheet date.



## Notes to the financial statements for the year ended 30 June 2023

### 3. Accounting policies (continued)

#### **Current tax**

Current tax is the amount of corporation tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

#### **Group relief**

Credits for amounts receivable in respect of tax losses surrendered to group companies are recognised in the year in which the losses are surrendered, as are charges in respect of tax losses claimed from group companies.

#### **Share Capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

#### **Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the statement of income and retained earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## Notes to the financial statements for the year ended 30 June 2023

### 3. Accounting policies (continued)

#### *Financial instruments (continued)*

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables and loans from fellow group companies 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an 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 to liability simultaneously.

### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- a) Critical judgements in applying the company's accounting policies.

The directors consider that there are no critical judgements in the application of the company's accounting policies which would have a material impact on the financial statements.

- b) Key accounting estimates and assumptions.

The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

### 5. Employee information

There were no persons employed by the company during the current or prior year.

The company paid no remuneration or wages to its directors during the year (2022: £nil). The emoluments of E J Wilkinson are paid by Melton Renewable Energy UK Limited. M J Bullard, E W Fellows, P S Latham and M G Setchell did not receive any payment for their services to the Melton Renewable Energy UK Limited group.

**Notes to the financial statements**  
**for the year ended 30 June 2023**

**6. Interest payable and similar charges**

	<i>2023</i> <i>£000s</i>	<i>2022</i> <i>£000s</i>
Interest payable to parent undertaking	<u>1,523</u>	<u>1,702</u>

**7. Taxation**

a) Analysis of credit in the year

	<i>2023</i> <i>£000s</i>	<i>2022</i> <i>£000s</i>
<i>Current tax</i>		
Group relief receivable	<u>(312)</u>	<u>(323)</u>
Total tax credit	<u>(312)</u>	<u>(323)</u>

b) Reconciliation of tax credit

The tax assessed on the profit on ordinary activities before taxation for the year is lower than (2022: lower than) the effective rate of corporation tax in the UK of 20.5% (2022: 19%). The differences are explained below:

	<i>2023</i> <i>£000s</i>	<i>2022</i> <i>£000s</i>
Profit before taxation	<u>5,477</u>	<u>9,298</u>
Profit before taxation multiplied by the effective rate of corporation tax of 20.5% (2022: 19%)	1,122	1,767
Non-taxable income	<u>(1,434)</u>	<u>(2,090)</u>
Total tax credit	<u>(312)</u>	<u>(323)</u>

c) Factors that may affect future tax charges

The Finance Act 2021 included measures to increase the standard rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. The Finance Act 2021 was enacted in June 2021 and accordingly, these rates are applicable to the measurement of deferred tax balances at 30 June 2023.

**Notes to the financial statements  
for the year ended 30 June 2023**

**8. Dividends**

	<i>2023</i> <i>£000s</i>	<i>2022</i> <i>£000s</i>
2023: £0.31 per ordinary share (2022: £0.48)	<b>7,000</b>	11,000

**9. Investments**

	<i>Subsidiary undertakings £000s</i>
Cost:	
<b>At 1 July 2022 and 30 June 2023</b>	<b>1,000</b>

The subsidiary companies of the company at 30 June 2023, which are all wholly owned and incorporated in Great Britain are listed below.

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<b>Subsidiary undertakings</b>			
Melton Renewable Energy Newco Ltd +	Ordinary Shares	100%	Intermediate holding company
EPR Renewable Energy Limited	Ordinary shares	100%	Intermediate holding company
Energy Power Resources Limited	Ordinary shares	100%	Development of renewable energy projects and providing management and administrative services
EPR Scotland Limited	Ordinary shares	100%	Operation of electricity power station
EPR Ely Limited	Ordinary shares	100%	Operation of electricity power station
EPR Eye Limited	Ordinary shares	100%	Operation of electricity power station
EPR Glanford Limited	Ordinary shares	100%	Operation of electricity power station
EPR Thetford Limited	Ordinary shares	100%	Operation of electricity power station
Fibrophos Limited	Ordinary shares	100%	Supply of fertiliser

– Held directly by Melton Renewable Energy (Holdings) Limited.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The registered office of the companies listed above is 6<sup>th</sup> Floor, 33 Holborn, London, England, EC1N 2HT except for EPR Scotland Limited which is at 1 West Regent Street, Glasgow, G2 1AP.

## Notes to the financial statements for the year ended 30 June 2023

### 9. Investments (continued)

During the year the company received dividends from wholly owned subsidiaries as follows: -

	2023 £000s	2022 £000s
Melton Renewable Energy Newco Limited	7,000	11,000

### 10. Debtors

	2023 £000s	2022 £000s
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	53,164	53,214
Group relief	1,369	1,057
	<b>54,533</b>	<b>54,271</b>

All amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

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

	2023 £000s	2022 £000s
Amounts owed to group undertakings	6,850	6,850
Amounts owed to parent undertaking	1,423	-
	<b>8,273</b>	<b>6,850</b>

All amounts owed to group and parent undertakings are unsecured, interest free and are repayable on demand.

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

	2023 £000s	2022 £000s
Parent company loan (note 13)	13,850	13,850
	<b>13,850</b>	<b>13,850</b>

### 13. Parent company loan

The parent company loan provided by Melton Renewable Energy UK Limited is unsecured, bears interest at 11% per annum and is due to be repaid on 31 December 2028.

**Notes to the financial statements**  
for the year ended 30 June 2023

**14. Called up share capital**

	<i>2023</i>	<i>2022</i>
	<i>£000s</i>	<i>£000s</i>
<i>Allotted, called up and fully paid</i>		
22,725,001 (2022: 22,725,001) ordinary shares of £1.00 each	<b>22,725</b>	<b>22,725</b>

**15. Retained earnings**

	<i>Retained earnings £000s</i>
At 1 July 2022	11,900
Profit for the financial year	5,789
Dividends (note 8)	(7,000)
<b>At 30 June 2023</b>	<b>10,689</b>

**16. Reconciliation of movements in shareholders' funds**

	<i>2023</i>	<i>2022</i>
	<i>£000s</i>	<i>£000s</i>
Opening total shareholders' funds	<b>34,625</b>	36,004
Profit for the financial year	<b>5,789</b>	9,621
Dividends (note 8)	<b>(7,000)</b>	(11,000)
<b>Closing shareholders' funds</b>	<b>33,414</b>	<b>34,625</b>

**17. Contingent liabilities**

At 30 June 2023 the company was guarantor with other group companies for a bank loan facility provided by the group's financiers. The outstanding loan balance as at 30 June 23 was £74,852,000 (2022: £88,422,000).

The company has no other off balance sheet arrangements.

**Notes to the financial statements**  
**for the year ended 30 June 2023**

**18. Ultimate parent undertaking and controlling party**

Melton Renewable Energy UK Limited is the immediate parent undertaking and is registered in England, United Kingdom. *The ultimate parent undertaking as at the year ended 30 June 2023 was Fern Trading Limited, a company limited by shares incorporated in the United Kingdom with its registered office at 6th Floor, 33 Holborn, London, England, EC1N 2HT.*

Melton Renewable Energy UK Limited is the holding company of the smallest group of undertakings for which group financial statements are drawn up and Fern Trading Limited is the holding company of the largest group of undertakings for which group financial statements are drawn up. Copies of the group financial statements may be obtained from the address above.

**19. Events since the balance sheet date**

There have been no material adjusting or disclosable events since the financial year end.