

Registered number: 07108705

Notos Energy Limited

**Annual report and unaudited financial statements
For the year ended 30 June 2022**

WEDNESDAY



ABZUH37L

A09

22/03/2023

#249

COMPANIES HOUSE

Notos Energy Limited

Contents

Company information	1
Directors' report	2 - 3
Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7 - 14

Notos Energy Limited

Company information

Directors

Peter Edward Dias
Christopher Peter Gaydon
Edward William Fellows
Thomas James Rosser

Company secretary

Octopus Company Secretarial Services Limited

Registered number

07108705

Registered office

6th Floor
33 Holborn
London
England
EC1N 2HT

Notos Energy Limited

Directors' report for the year ended 30 June 2022

The directors present their report and the unaudited financial statements of Notos Energy Limited (the "Company ") for the year ended 30 June 2022.

Principal activities

The Company is the parent of Wryde Croft Wind Farm Limited for which the principal activity is the operation of a wind farm for the generation and sale of electricity.

Results

The profit for the year amounted to £722,819 (2021: £338,048) and at the year end the Company had net assets of £32,164,973 (2021: £31,442,154).

Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due, including a review of the effect of the ongoing Ukraine-Russia conflict, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the Company and revised projections, the above events are not expected to have a detrimental impact on the Company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the Company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible negative impact of these events.

Directors of the Company

The directors who served during the financial year ended 30 June 2022 and up to the date of signing the financial statements, unless otherwise indicated, are given below:

Paul Stephen Latham (resigned on 19 December 2022)
Edward William Fellows (appointed on 19 December 2022)
Peter Edward Dias
Christopher Peter Gaydon
Thomas James Rosser

Qualifying third party indemnity provision

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Notos Energy Limited

Directors' report for the year ended 30 June 2022 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" section 1A, 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 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 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.

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.

Audit exemption

The directors consider that the Company is entitled to an exemption from the requirement to have an audit under section 479A of the Companies Act 2006. Under the provisions of section 479C of the Companies Act 2006, Fern Trading Limited, the ultimate parent company, has given a statutory guarantee of all the outstanding liabilities to which the Company is subject at 30 June 2022.

Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a Strategic report.

Events since the Balance sheet date

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

This report was approved by the board on 16 March 2023 and signed on its behalf:



Thomas James Rosser
Director

Notos Energy Limited

Statement of comprehensive income for the year ended 30 June 2022

	2022 £	(restated*) 2021 £
Administrative expenses	(8,042)	(1,035,076)
Operating loss	(8,042)	(1,035,076)
Interest receivable and similar income	1,176,460	1,176,460
Interest payable and similar expenses	(90)	-
Profit before taxation	1,168,328	141,384
Taxation	(445,509)	196,664
Profit for the financial year	722,819	338,048

All activities of the Company are from continuing operations.

The Company has no items of other comprehensive income for the current or preceding financial year. Therefore, no separate statement of other comprehensive income has been presented.

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

*The comparative figures creditors: amounts falling due within one year, debtors: amounts falling due within one year, administrative expenses and taxation have been restated as set out in note 9.

Notos Energy Limited
Registered number: 07108705

Balance sheet
as at 30 June 2022

	Note	2022 £	(restated)* 2021 £
Fixed assets			
Investments	5	4,658,145	4,658,145
Current assets			
Debtors: amounts falling due within one year	6	27,762,718	26,786,160
Cash at bank and in hand		290	380
		<u>27,763,008</u>	<u>26,786,540</u>
Creditors: amounts falling due within one year	7	(256,180)	(2,531)
Net current assets		<u>27,506,828</u>	<u>26,784,009</u>
Total assets less current liabilities		<u>32,164,973</u>	<u>31,442,154</u>
Net assets		<u>32,164,973</u>	<u>31,442,154</u>
Capital and reserves			
Called-up share capital	8	100	100
Share premium account		9,900	9,900
Profit and loss account		32,154,973	31,432,154
Total shareholder's funds		<u>32,164,973</u>	<u>31,442,154</u>

For the year ended 30 June 2022, the Company was entitled to an exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

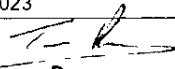
No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

*The comparative figures creditors: amounts falling due within one year, debtors: amounts falling due within one year, administrative expenses and taxation have been restated as set out in note 9.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 March 2023


Thomas James Rosser
Director

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

Notos Energy Limited

Statement of changes in equity for the year ended 30 June 2022

	Called-up share capital	Share premium account	Profit and loss account	Total shareholder's funds
	£	£	£	£
At 1 July 2020	100	9,900	31,094,106	31,104,106
Profit for financial year (restated*)	-	-	338,048	338,048
At 30 June 2021 and 1 July 2021	100	9,900	31,432,154	31,442,154
Profit for the financial year	-	-	722,819	722,819
At 30 June 2022	100	9,900	32,154,973	32,164,973

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

*The comparative figures creditors: amounts falling due within one year, debtors: amounts falling due within one year, administrative expenses and taxation have been restated as set out in note 9.

Notos Energy Limited

Notes to the financial statements for the year ended 30 June 2022

1. General information

Notos Energy Limited is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom, registered number: 07108705. The registered office is at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The Company is the parent of Wryde Croft Wind Farm Limited for which the principal activity is the operation of a wind farm for the generation and sale of electricity.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company's functional and presentation currency is the pound sterling.

The following principal accounting policies have been applied:

2.2 Exemptions for qualifying entities under FRS 102

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under section 7 of FRS 102 and paragraph 3.17(d), on the basis that it is a small company;
- from disclosing the Company's key management personnel compensation as required by FRS 102 paragraph 33.7; and
- from disclosing related party transactions that are wholly owned within the same group as required by FRS 102 paragraph 33.8.

2.3 Consolidation

These financial statements contain information about the Company as an individual company and do not contain consolidated financial information as a parent undertaking of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Fern Trading Limited, a company incorporated in England, the United Kingdom.

Notos Energy Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due, including a review of the effect of the ongoing Ukraine-Russia conflict, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the Company and revised projections, the above events are not expected to have a detrimental impact on the Company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the Company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible negative impact of these events.

2.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.6 Interest expense

Interest expense is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to its net carrying amount.

2.7 Investments

Investments in subsidiary undertakings and associates are accounted for at cost less any provision for impairment. The value of investments is reviewed annually by the directors or more frequently if there is a triggering event and provision made where the investment's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the investment in prior years. A reversal of impairment loss is recognised immediately in the Statement of comprehensive income.

2.8 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

Notos Energy Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

2. Accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of comprehensive income.

2.9 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income 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.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.10 Financial instruments

(i) Financial assets

Financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Notos Energy Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

2. Accounting policies (continued)

2.10 Financial instruments (continued)

(i) Financial assets (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at cost and amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

(ii) Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the Balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the Statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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 the liability simultaneously.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Notos Energy Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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

(a) Critical judgements in applying the Company's accounting policies

There are no critical judgements in applying the Company's accounting policies.

(b) Critical accounting estimates and assumptions

The key estimates in preparing these financial statements are:

(i) Impairment of intercompany loan receivables

Loans and advances owed by group companies, including associated accrued income balances, are reviewed for impairment on a quarterly basis. In considering the need for a provision, management determines their best estimate for the expected future cash flows on a case-by-case basis.

As this estimate relies on a certain number of assumptions about future events which may differ from actual outcomes, including the borrower's ability to repay interest and capital due in future periods, this gives rise to judgement as to whether there is a shortfall between the carrying value and the fair value of the debtor balance. Management notes that provision against loans and advances is a critical estimate and have therefore performed sensitivity analysis on the provision.

(ii) Impairment of investments

The value of investments in subsidiary undertakings held by the Company is reviewed annually for impairment. The recoverability of these balances is considered with reference to the present value of the estimated future cash flows. These calculations use cash flow projections which extend forward forecasted business performance together with assumptions surrounding the expected life of the asset, externally prepared forecasts and valuations, and any adjustments required to the discount rate to take account of business risk. The estimated present value of these future cash flows is sensitive to the discount rate and growth rate used in the calculation, all of which require management's judgement. Testing of the carrying value has been performed during the year, which has involved several scenarios being modelled. Following this assessment management have concluded that the carrying value of investments in subsidiary entities is supported by the underlying valuations (see note 5).

4. Employees and directors' remuneration

The Company had no employees during the year (2021: none). The directors did not receive or waive any remuneration (2021: £nil).

Notos Energy Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

5. Investments

	Subsidiary undertaking £
Cost	
At 1 July 2021 and 30 June 2022	4,658,145
Impairment	
At 1 July 2021 and 30 June 2022	-
Net book value	
At 30 June 2022	4,658,145
At 30 June 2021	4,658,145

The directors believe that the book value of the investments is not more than the value of the underlying net assets.

Subsidiary undertaking

The following was subsidiary undertaking of the Company:

Name of company	Country of incorporation	Class of shares	% Holding	Principal activity
Wryde Croft Wind Farm Limited	United Kingdom	Ordinary	100%	Energy generation

The registered office address for the company listed above is Beaufort Court, Egg Farm Lane Off Station Road, Kings Langley, Hertfordshire, United Kingdom, WD4 8LR.

6. Debtors: amounts falling due within one year

	2022 £	(restated*) 2021 £
Amounts owed by group undertakings	23,591,672	23,529,202
Corporation tax receivable	-	196,664
Prepayments and accrued income	4,170,975	2,994,515
Other debtors	71	65,779
	27,762,718	26,786,160

Notos Energy Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

6. Debtors: amounts falling due within one year (continued)

Included within amounts owed by group undertakings are unsecured loans with year end balances amounting to £23,591,672 (2021: £24,090,307) of which £23,529,202 (2021: £23,529,202) bear interest at 5% (2021: 5%) and £62,470 (2021: £561,105) is interest free. The loans are receivable on demand.

Included within prepayments and accrued income are amounts of £4,170,975 (2021: £2,994,514) relating to interest receivable on the amounts owed by group undertakings.

*The comparative figures for amounts owed by group undertakings, prepayments and accrued income, other debtors and corporation tax receivable has been restated as set out in note 9.

7. Creditors: amounts falling due within one year

	2022	(restated*) 2021
	£	£
Trade creditors	578	558
Corporation tax payable	248,845	-
Accruals and deferred income	6,757	1,973
	<u>256,180</u>	<u>2,531</u>

*The comparative figures for trade creditors has been restated as set out in note 9.

8. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully paid		
10,000 (2021: 10,000) ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

9. Previous-year restatement

The previous year have been restated at 30 June 2021 to reduce the creditors by £495,617, debtors by £1,334,029 and administrative expenses by £1,035,076. This will result in tax credit of £196,664 for the previous year.

Impact on Balance sheet

	30 June 2021
	£
Creditors: amounts falling due within year	495,617
Debtors: amounts falling due within one year	(1,334,029)
	<u>(838,412)</u>

Notos Energy Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

9. Previous-year restatement (continued)

Impact on Statement of comprehensive income

	30 Jun 2021 £
Administrative expenses	1,035,076
Taxation	(196,664)
	<hr/>
	838,412
	<hr/>

10. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that as at the year ended 30 June 2022 it was a wholly owned subsidiary.

11. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Boomerang Energy Limited, a company incorporated in the United Kingdom.

Cedar Energy and Infrastructure Limited, a company incorporated in the United Kingdom is the smallest group to consolidate these financial statements.

The ultimate parent undertaking as at the year ended 30 June 2022 was Fern Trading Limited, a company incorporated in England, the United Kingdom. Fern Trading Limited is the largest group of undertakings to consolidate these financial statements. Copies of Fern Trading Limited's consolidated financial statements can be obtained from the Company Secretary at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

12. Events since the Balance sheet date

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