

Company Registration No. 07110216 (England and Wales)

VITAL ENERGI GENERATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022

PAGES FOR FILING WITH REGISTRAR



VITAL ENERGI GENERATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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.

VITAL ENERGI GENERATION LIMITED**BALANCE SHEET****AS AT 30 JUNE 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	5		3,727,816		3,727,816
Current assets					
Debtors falling due after more than one year	7	29,688,291		23,346,469	
Debtors falling due within one year	7	163,738		1,450	
		29,852,029		23,347,919	
Creditors: amounts falling due within one year	8	(29,619,904)		(26,779,312)	
Net current assets/(liabilities)			232,125		(3,431,393)
Total assets less current liabilities			3,959,941		296,423
Creditors: amounts falling due after more than one year	9		(4,475,587)		(500,000)
Net liabilities			(515,646)		(203,577)
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			(515,647)		(203,578)
Total equity			(515,646)		(203,577)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17/02/23 and are signed on its behalf by:



Mr G J Fielding
Director

VITAL ENERGI GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Company information

Vital Energi Generation Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Vital Energi Generation Limited is a subsidiary of Vital Holdings Limited and the results of Vital Energi Generation Limited are included in the consolidated financial statements of Vital Holdings Limited which are available from Companies House.

Going concern

The company made a loss of £312,069 during the year and due to the deficit on the balance sheet at the year end the directors have obtained written support from Vital Energi Utilities Limited (VEUL), another group company, which commits to providing financial support to the company for the foreseeable future to enable the company to meet its liabilities as they fall due.

The directors have satisfied themselves that Vital Energi Utilities Limited is in a position to provide this support and further details of the assessment of going concern for Vital Energi Utilities Limited can be seen in the financial statements of Vital Energi Utilities Limited, which are available from Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

As the company is a non-trading holding company it has not been directly affected by the COVID 19 pandemic.

The company's main subsidiary Vital Energi Drakelow Limited is building a waste to energy plant. The COVID 19 pandemic has had some impact on delaying lead times on overseas sourced components, however these delays have been managed within existing programmes and are not significant.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Fixed asset investments

Interests in subsidiaries entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

VITAL ENERGI GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, which include other creditors and amounts owed to group undertakings, are initially recognised at transaction price.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the current tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is charged or credited to profit or loss.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

2 Employees

There were no employees in the current or prior year.

3 Directors' remuneration

No remuneration was paid to the directors in the current or prior year.

4 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(73,201)	(47,107)

VITAL ENERGI GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

4 Taxation (Continued)

The total tax credit for the year included in the profit and loss account can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(385,270)	(247,931)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(73,201)	(47,107)
Taxation credit in the financial statements	(73,201)	(47,107)

5 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings	3,727,816	3,727,816

Movements in fixed asset investments

	Shares in group undertakings £
Cost	
At 1 July 2021 & 30 June 2022	3,727,816
Carrying amount	
At 30 June 2022	3,727,816
At 30 June 2021	3,727,816

6 Subsidiaries

These financial statements are separate company financial statements for Vital Energi Generation Limited.

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Vital Energi (Drakelow) Limited	Century House, Roman Road, Blackburn, Lancashire, England, BB1 2LD	Developer of a waste to energy plant	Ordinary	100.00

VITAL ENERGI GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

7 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Amounts owed by group undertakings	163,738	1,450
	<u>163,738</u>	<u>1,450</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	29,688,291	23,346,469
	<u>29,688,291</u>	<u>23,346,469</u>
Total debtors	<u>29,852,029</u>	<u>23,347,919</u>

Amounts owed by group undertakings falling due within one year are interest free. Whilst there is no formal agreement in place, and the amounts are legally repayable on demand, the directors do not expect these amounts to be repaid within 12 months.

Amounts owed by group undertakings falling due after more than one year relate to 12% secured loan notes issued by a fellow group undertaking. The loan notes are repayable on 27 January 2053, being the thirty third anniversary of the date of the instrument, or such date as may be determined by a resolution of the directors or upon an exit event, even if earlier.

Interest is payable on redemption of the loan notes. At the period end, total interest of £3,084,907 (2021: £1,184,240) has been added to the loan note value.

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	29,615,089	26,026,036
Other creditors	4,815	753,276
	<u>29,619,904</u>	<u>26,779,312</u>

Included within other creditors is deferred consideration of £nil (2021: £750,000)

Amounts owed to group undertakings are subject to interest charged at 12% per annum, charged monthly. Whilst there is no formal agreement in place, and the amounts are legally repayable on demand, the directors do not expect these amounts to be fully repaid within 12 months.

9 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	3,975,587	-
Other creditors	500,000	500,000
	<u>4,475,587</u>	<u>500,000</u>

VITAL ENERGI GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

9 Creditors: amounts falling due after more than one year (Continued)

The amounts included in other creditors relate to deferred consideration payable in relation to the acquisition of Vital Energi (Drakelow) Limited.

Amounts owed to group undertakings includes £4m (2021: £nil) with interest charged at 12% per annum, charged monthly. The loans are repayable on 31 December 2026 or such date as may be determined by a resolution of the directors.

10 Financial commitments, guarantees and contingent liabilities

The company has provided a guarantee relating to a debenture granted to a fellow group company by a third party. At the year end the potential liability was £61,596,872 (2021: £50,027,521).

11 Parent company

The directors consider the ultimate parent company to be Vital Holdings Limited, a company incorporated in the United Kingdom. Vital Holdings Limited is the only parent undertaking preparing group accounts including the results of this company. The registered office of Vital Holdings Limited is Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

12 Audit report information

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

The auditor's report was unqualified.

The senior statutory auditor was Michael Oates CA.

The auditor was RSM UK Audit LLP.