

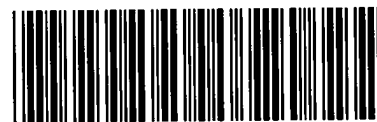
UK ENERGY PARTNERS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

MONDAY



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UK ENERGY PARTNERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

UK ENERGY PARTNERS LIMITED
REGISTERED NUMBER: 07364765

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	6	2	4
Tangible assets	7	18	34
		<u>20</u>	<u>38</u>
Current assets			
Debtors: amounts falling due after more than one year	8	160	103
Debtors: amounts falling due within one year	8	303	652
Cash at bank and in hand	9	325	251
		<u>788</u>	<u>1,006</u>
Creditors: amounts falling due within one year		(529)	(475)
Net current assets		<u>259</u>	<u>531</u>
Total assets less current liabilities		<u>279</u>	<u>569</u>
Creditors: amounts falling due after more than one year	10	(11)	(611)
Provisions for liabilities			
Deferred tax		(6)	(6)
Other provisions	12	(22)	(19)
		<u>(28)</u>	<u>(25)</u>
Net assets/(liabilities)		<u><u>240</u></u>	<u><u>(67)</u></u>
Capital and reserves			
Called up share capital	13	407	407
Other reserves	14	586	-
Profit and loss account	14	(753)	(474)
		<u>240</u>	<u>(67)</u>

UK ENERGY PARTNERS LIMITED
REGISTERED NUMBER: 07364765

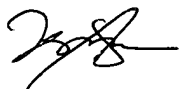
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.



Osman Yousef
Director

The notes on pages 4 to 12 form part of these financial statements.

UK ENERGY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

UK Energy Partners Limited is a private company, limited by shares, domiciled in England and Wales, registration number 07364765. The registered office is 114 Southampton Row, Bloomsbury, London, United Kingdom, WC1B 5AA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the group headed by Net Zero Buildings Holding Limited's (the "Group") forecasts and projections, the directors have a reasonable expectation that the Company, and the Group, have adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

UK ENERGY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Construction contracts

When a contract is entered into and is classified to be a construction contract, revenue is recognised using the percentage-of-completion method as construction progresses. The Company considers the terms and conditions of the contract, including how the contract was negotiated and the structural elements that the customer specifies when classifying individual projects as construction contracts. The percentage of completion is estimated by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred to date and the estimated costs to complete.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

UK ENERGY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 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.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	5	years
Computer software	-	3	years

UK ENERGY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment - 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Financial instruments

UK ENERGY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.14 Financial instruments (continued)

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 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.

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.

2.15 Related parties

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

UK ENERGY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

Preparation of the financial statements requires management to make significant judgements and estimates.

The directors use significant judgement and estimates when estimating the total expected cost to complete a Schoolhaus as well as the costs incurred to date.

The directors have used their judgement, based on expected future Company profitability, to recognise deferred tax losses and estimated the applicable tax rate to apply based on the expected timing of those profits.

The directors have estimated the required remedial provision based on their experiences of past costs incurred.

4. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £8 (2017 - 12).

5. Employees

The average monthly number of employees, including directors, during the year was 15 (2017 - 23).

6. Intangible assets

	Intellectual property £000	Computer software £000	Total £000
Cost			
At 1 January 2018	1	6	7
At 31 December 2018	1	6	7
Amortisation			
At 1 January 2018	-	3	3
Charge for the year	-	2	2
At 31 December 2018	-	5	5
Net book value			
At 31 December 2018	1	1	2
At 31 December 2017	1	3	4

UK ENERGY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Tangible fixed assets

	Fixtures, fittings and equipment £000
Cost or valuation	
At 1 January 2018	67
At 31 December 2018	<u>67</u>
Depreciation	
At 1 January 2018	33
Charge for the year on owned assets	16
At 31 December 2018	<u>49</u>
Net book value	
At 31 December 2018	<u>18</u>
At 31 December 2017	<u>34</u>

8. Debtors

	2018 £000	2017 £000
Due after more than one year		
Deferred tax asset	160	103
	<u>160</u>	<u>103</u>
Due within one year		
Trade debtors	42	160
Other debtors	221	366
Prepayments and accrued income	40	126
	<u>303</u>	<u>652</u>

UK ENERGY PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Cash and cash equivalents

	2018	<i>2017</i>
	£000	<i>£000</i>
Cash at bank and in hand	325	<i>251</i>
	<u>325</u>	<u><i>251</i></u>

10. Creditors: Amounts falling due after more than one year

	2018	<i>2017</i>
	£000	<i>£000</i>
Amounts owed to group undertakings	11	<i>611</i>
	<u>11</u>	<u><i>611</i></u>

The amounts owed to group companies have no set date for repayment and are not callable within 12 months. The loan has an annual interest rate of 8% (2017: 8%). In 2018 the terms of the amounts owed to group undertakings were changed to 0% interest, given these amounts will not be called in the foreseeable future and carry a 0% interest rate they have been classified as a capital contribution.

11. Deferred taxation

	2018	<i>2017</i>
	£000	<i>£000</i>
At beginning of year	97	<i>110</i>
Charged to profit or loss	57	<i>(13)</i>
At end of year	<u>154</u>	<u><i>97</i></u>

The provision for deferred taxation is made up as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Accelerated capital allowances	(3)	<i>(6)</i>
Tax losses carried forward	157	<i>103</i>
	<u>154</u>	<u><i>97</i></u>

UK ENERGY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

12. Provisions

	Remedial provision £000
At 1 January 2018	19
Charged to profit or loss	(7)
Utilised in year	10
At 31 December 2018	22

The remedial provision is an allowance for the expected costs to fulfil our 12-month contractual warranty for the buildings as well as the expected costs of snagging certain buildings in the next available school holiday.

13. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
407,100 (2017 - 407,100) Ordinary shares of 1 each	407	407

14. Reserves

Other reserves

The Other Reserve is a capital contribution reserve.

Profit and loss account

The retained earnings reserve includes all current and prior period retained profits and losses.

15. Controlling party

The immediate parent undertaking of the Company is Net Zero Buildings Finance Limited.

The ultimate parent undertaking of the Company is Net Zero Buildings Holding Limited (formerly UK Energy Partners Holding Limited). The ultimate controlling party is CS Capital Partners V, LP.

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 30 September 2019 by Geraint Jones (Senior Statutory Auditor) on behalf of BDO LLP.