

Audited Financial Statements
for the Year Ended 31 March 2023
for
Ignis Wick Limited

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for the Year Ended 31 March 2023

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Ignis Wick Limited

Company Information
for the Year Ended 31 March 2023

DIRECTORS:

Ms S R Blackburn
U Heinam
J D Scott

REGISTERED OFFICE:

Office 206/207 Merlin House
Brunel Road
Theale
Reading
RG7 4AB

REGISTERED NUMBER:

07469188 (England and Wales)

AUDITORS:

Willsons (Higham Ferrers) Ltd
Chartered Accountants
Statutory Auditors
Carlton House
High Street
Higham Ferrers
Northamptonshire
NN10 8BW

Balance Sheet
31 March 2023

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Intangible assets	4		234,547		242,492
Tangible assets	5		<u>6,295,448</u>		<u>6,522,624</u>
			6,529,995		6,765,116
CURRENT ASSETS					
Stocks		294,084		260,815	
Debtors	6	401,267		367,428	
Cash at bank and in hand		<u>83,215</u>		<u>175,906</u>	
		778,566		804,149	
CREDITORS					
Amounts falling due within one year	7	<u>553,290</u>		<u>295,733</u>	
NET CURRENT ASSETS			<u>225,276</u>		<u>508,416</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,755,271		7,273,532
CREDITORS					
Amounts falling due after more than one year	8		<u>9,063,591</u>		<u>8,401,689</u>
NET LIABILITIES			<u>(2,308,320)</u>		<u>(1,128,157)</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Revaluation reserve	11		2,336,477		2,409,799
Retained earnings			<u>(4,644,897)</u>		<u>(3,538,056)</u>
			<u>(2,308,320)</u>		<u>(1,128,157)</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 12 August 2023 and were signed on its behalf by:

J D Scott - Director

1. **STATUTORY INFORMATION**

Ignis Wick Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Critical accounting judgements and key sources of estimation uncertainty

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

The preparation of financial statements management are required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period or in the period of revision and future periods if the revision affects both current and future periods.

Management consider the following to be a significant accounting policy or a key source of estimation uncertainty for the preparation of the financial statements:

Recoverability

Due to the nature of the contracts between the company and customers there may be disputes around the calculation of revenue related to heat output. Such disputes may suggest that a portion of the amounts are not recoverable. As such there is a level of judgement around the collectability of accrued income and trade debtor balances.

Revaluation of tangible assets

Due to the specialised nature of the property and machinery, the value has been estimated using a reinstatement insurance cost assessment adjusted to take account of wear and tear incurred to date and is not based on the evidence of sales of similar assets in the market. Therefore the increased values of the assets using this type of method is subject to the adequate long term profitability of the business. Changes in the valuations would have significant impact on the company's net asset value.

Useful lives of depreciable and intangible assets

The annual depreciation and amortisation charges depend primarily on the estimated lives of each type of asset. The directors annually review these asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have significant impact on depreciation and amortisation charges for the financial year.

Impairment of tangible assets

Determining whether tangible assets are impaired requires an estimation of the value in use of the cash generating units to which assets have been allocated. The value in use calculation requires the directors to estimate the future cash flows to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual cash flows are less than expected, a material impairment may arise. The directors are satisfied on review that there is no impairment charge to recognise on tangible and intangible assets in the financial year.

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration receivable, net of discounts and Value Added Tax. Turnover is determined by the energy produced and submitted to Ofgem within the terms of the Renewable Heat Incentive Scheme. Income is earned in the period on the basis that it is probable that the company will receive the income based on data submissions of energy produced. The company has entered into a number of contracts to generate a minimum amount of heat and is recognised in the period to which it is supplied.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of forty years.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on valuation
Long leasehold	- 2% on cost
Plant and machinery	- at varying rates on cost

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Stocks

Stock are valued at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula.

Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Leasing commitments

Assets acquired under hire purchases finance are capitalised and depreciated. The payments are apportioned between the finance charge and the reduction of the outstanding lease liability. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Going concern

The Company is in a net liability position. The Company currently relies on the support of its parent, group and ultimate parent entities to meet its liabilities as they fall due. These entities have indicated that they have the resources and will continue to provide such support as needed.

The Company's forecasts and projections taking account of reasonably possible changes in trading performance, including the impact of SEPA drought closures on future revenue, show that the company should be able to operate within the level of its current resources, notwithstanding the net liabilities.

The directors, having assessed the responses of the directors of the various group entities to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2022 - NIL).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

4. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 April 2022	
and 31 March 2023	<u>317,781</u>
AMORTISATION	
At 1 April 2022	75,289
Amortisation for year	<u>7,945</u>
At 31 March 2023	<u>83,234</u>
NET BOOK VALUE	
At 31 March 2023	<u>234,547</u>
At 31 March 2022	<u>242,492</u>

5. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Totals £
COST OR VALUATION				
At 1 April 2022	135,687	939,959	8,383,112	9,458,758
Additions	<u>15,617</u>	<u>17,972</u>	<u>176,929</u>	<u>210,518</u>
At 31 March 2023	<u>151,304</u>	<u>957,931</u>	<u>8,560,041</u>	<u>9,669,276</u>
DEPRECIATION				
At 1 April 2022	25,678	162,123	2,748,333	2,936,134
Charge for year	<u>3,026</u>	<u>25,334</u>	<u>409,334</u>	<u>437,694</u>
At 31 March 2023	<u>28,704</u>	<u>187,457</u>	<u>3,157,667</u>	<u>3,373,828</u>
NET BOOK VALUE				
At 31 March 2023	<u>122,600</u>	<u>770,474</u>	<u>5,402,374</u>	<u>6,295,448</u>
At 31 March 2022	<u>110,009</u>	<u>777,836</u>	<u>5,634,779</u>	<u>6,522,624</u>

Cost or valuation at 31 March 2023 is represented by:

	Freehold property £	Long leasehold £	Plant and machinery £	Totals £
Valuation in 2013	-	557,183	2,487,127	3,044,310
Cost	<u>151,304</u>	<u>400,748</u>	<u>6,072,914</u>	<u>6,624,966</u>
	<u>151,304</u>	<u>957,931</u>	<u>8,560,041</u>	<u>9,669,276</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

5. **TANGIBLE FIXED ASSETS - continued**

The energy centre building and the district heating network were valued externally as at 31 May 2013 by Mr M Radmilo MRICS MSCS of Rushton International. They were valued based on the reinstatement insurance cost assessment adjusted to take account of wear and tear incurred to date.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST OR VALUATION	
Additions	144,200
At 31 March 2023	<u>144,200</u>
DEPRECIATION	
Charge for year	14,420
At 31 March 2023	<u>14,420</u>
NET BOOK VALUE	
At 31 March 2023	<u>129,780</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23 £	31.3.22 £
Trade debtors	79,563	90,901
Other debtors	49,500	49,500
VAT	26,377	8,824
Accrued income	239,336	200,128
Prepayments	<u>6,491</u>	<u>18,075</u>
	<u>401,267</u>	<u>367,428</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23 £	31.3.22 £
The Energy Saving Loan	69,937	67,902
Hire purchase contracts (see note 9)	32,010	-
Trade creditors	405,277	192,874
Accrued expenses	<u>46,066</u>	<u>34,957</u>
	<u>553,290</u>	<u>295,733</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.23	31.3.22
	£	£
The Energy Saving Loan	75,005	145,146
Hire purchase contracts (see note 9)	83,086	-
Amounts owed to group undertakings	8,905,500	8,256,543
	<u>9,063,591</u>	<u>8,401,689</u>

9. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 31.3.23	31.3.22
	£	£
Net obligations repayable:		
Within one year	32,010	-
Between one and five years	83,086	-
	<u>115,096</u>	<u>-</u>
	Non-cancellable operating leases 31.3.23	31.3.22
	£	£
Within one year	1,000	1,000
Between one and five years	4,000	4,000
In more than five years	4,000	5,000
	<u>9,000</u>	<u>10,000</u>

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.23	31.3.22
	£	£
Hire purchase contracts	<u>115,096</u>	<u>-</u>

The parent company has fixed and floating charges over all the property or undertakings of that company. Hire purchase debts are secured on the asset under the agreement, as disclosed in the fixed asset note.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

11. **RESERVES**

	Revaluation reserve £
At 1 April 2022	2,409,799
Excess revaluation depreciation	<u>(73,322)</u>
At 31 March 2023	<u>2,336,477</u>

12. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Craig Baird FCA (Senior Statutory Auditor)
for and on behalf of Willsons (Higham Ferrers) Ltd

13. **RELATED PARTY DISCLOSURES**

At the year end the company owed its parent company £8,905,500 (2022: £8,256,543). There are no fixed terms of repayment on the loan element of the balance.

14. **ULTIMATE CONTROLLING PARTY**

The Company's immediate parent is Ignis Biomass Limited.

Ignis Biomass Limited's parent is Gren CHP Limited. Gren CHP Limited's parent is Gren Energy Limited both incorporated in England. Gren Energy Limited ultimate parent is Gren Holding 1 S.a.r.l. incorporated in Luxembourg. The ultimate controlling party is the Partners Group Holding AG in Switzerland.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.