

Registration number: 08114519

# Costain Energy Solutions Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021



## **Costain Energy Solutions Limited**

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## **Costain Energy Solutions Limited**

### **Company Information**

<b>Directors</b>	D R Taylor W J Clements
<b>Company secretary</b>	M Singletery
<b>Registered office</b>	Costain House Vanwall Business Park Maidenhead Berkshire SL6 4UB

## **Costain Energy Solutions Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the audited financial statements for the year ended 31 December 2021.

#### **Directors of the company**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M D Hunter (resigned 18 March 2022)

D R Taylor

The following director was appointed after the year end:

W J Clements (appointed 18 March 2022)

#### **Dividends**

The directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £Nil).

#### **Business review**

##### ***Fair review of the business***

During 2014, the company acquired an investment in interest bearing Loan Notes issued by Tidal Lagoon (Swansea Bay) PLC from a fellow group undertaking funded by a loan on matching terms and payable only out of the proceeds of the Loan Notes receivable. The realisable value of the Loan Notes at this stage was uncertain and the Loan Notes and the liability were recorded at £Nil. During 2015, the company converted the Loan Notes receivable into fully paid ordinary share capital of the company, Tidal Lagoon (Swansea Bay) PLC. The company continues to hold this investment and retains the liability. The realisable value remains uncertain. The company has no other activities.

#### **Environmental matters**

We are mindful of the macro-economic backdrop and market conditions due to the pandemic, and wider economic and geopolitical challenges, and we continue to monitor and work to mitigate headwinds in commodity and energy costs, as well as challenges in the supply chain.

#### **Going concern**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Costain Engineering & Construction Limited, the Company's United Kingdom holding undertaking. Costain Engineering & Construction Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the Company and in particular will not seek repayment of the amounts currently made available.

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, therefore the company has taken the exemption from the requirement to present a strategic report.

Approved by the Board on 7 July 2022 and signed by its order by:

DocuSigned by:



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M Singletery

Company secretary

**Costain Energy Solutions Limited**  
**(Registration number: 08114519)**  
**Statement of Financial Position**  
**as at 31 December**

	Note	2021 £	2020 £
<b>Current assets</b>			
Trade and other receivables	6	<u>100</u>	<u>100</u>
<b>Equity</b>			
Called up share capital	7	<u>100</u>	<u>100</u>
<b>Total shareholders' funds</b>		<u>100</u>	<u>100</u>

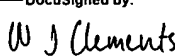
For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

**Directors' responsibilities:**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 3 to 9 were approved by the Board of directors on 7 July 2022 and signed on its behalf by:

DocuSigned by:  
  
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W J Clements

Director

## **Costain Energy Solutions Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The company is a private company limited by share capital, incorporated in the United Kingdom and domiciled in England.

The address of its registered office is:

Costain House  
Vanwall Business Park  
Maidenhead  
Berkshire  
SL6 4UB  
United Kingdom

These financial statements were authorised for issue by the Board on 7 July 2022.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

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

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared in accordance with the Companies Act 2006 and under the historical cost convention.

As there was no profit or loss in the year or prior year the financial statements do not include a income statement, statement of comprehensive income or statement of changes in equity.

##### **Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment which the company operates. The financial statements are presented in 'pounds sterling' (£), which is also the company's functional currency.

## **Costain Energy Solutions Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments, and
- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the Group financial statements of Costain Group PLC.

## **Costain Energy Solutions Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Costain Engineering & Construction Limited, the Company's United Kingdom holding undertaking. Costain Engineering & Construction Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the Company and in particular will not seek repayment of the amounts currently made available.

##### **New standards and changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 January 2021 have had a material effect on the financial statements. These include:

- Covid-19-Related Rent Concessions - amendments to IFRS 16, and
- Interest Rate Benchmark Reform - Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The company also elected to adopt the following amendments early:

- Annual Improvements to IFRS Standards 2018-2020,
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to IAS 12, and
- Covid-19-Related Rent Concessions beyond 30 June 2021.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions..

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

Cash and cash equivalents comprise cash balances and call deposits.

##### **Trade and other receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for intercompany balances. To measure the expected credit losses, intercompany balances have been grouped based on shared credit risk characteristics and the days past due.



## **Costain Energy Solutions Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Investments**

Fixed asset investments are stated at historical cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Impairments are reversed in line with improvements in the recoverable amount of the investment.

##### **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.

##### **Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

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. There are no significant judgements and estimates made that would have a material effect in both current and future periods.

#### **4 Staff costs**

No emoluments were paid to the directors of the company during the year (2020: £Nil).

There were no staff employed during the year (2020: Nil).

## Costain Energy Solutions Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

#### 5 Investments

	31 December 2021 £	31 December 2020 £
<b>Total Investments</b>	<u>-</u>	<u>-</u>

Costain Energy Solutions Limited owns 644 £5 ordinary shares in Tidal Lagoon (Swansea Bay) PLC.

#### Associates

##### Cost

At 1 January 2021	£ 553,263
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At 31 December 2021	£ 553,263
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##### Provision for impairment

At 1 January 2021	£ 553,263
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At 31 December 2021	£ 553,263
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##### Carrying amount

At 31 December 2021	£ -
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Details of the associates as at 31 December 2021 and 31 December 2020 are as follows:

Name of associate	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2021	2020
Tidal Lagoon (Swansea Bay) PLC	Tidal range powered energy plant operation	8th Floor, One Central Square, Cardiff, CF10 1FS England and Wales	2%	2%

The notes on pages 4 to 9 form an integral part of these financial statements.

## Costain Energy Solutions Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

#### 6 Trade and other receivables

	31 December 2021 £	31 December 2020 £
Amounts owed by group undertakings	100	100
	<u>100</u>	<u>100</u>

#### 7 Called up share capital

##### Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 8 Parent and ultimate parent undertaking

The company's immediate parent is Costain Engineering & Construction Limited.

The ultimate parent is Costain Group PLC.

The parent of the largest and smallest group producing publicly available financial statements in which these financial statements are consolidated is Costain Group PLC. These financial statements are available upon request from Costain House, Vanwall Business Park, Maidenhead, Berkshire, SL6 4UB.

The ultimate controlling party is Costain Group PLC.