

Registered number: 09649240

St Asaph Power Limited

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

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St Asaph Power Limited

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St Asaph Power Limited

Company information

Director	Dr Michael John Bullard Edward William Fellows
Company secretary	Octopus Company Secretarial Services Limited
Registered number	09649240
Registered office	6th Floor 33 Holborn London England EC1N 2HT

St Asaph Power Limited

Directors' report for the year ended 30 June 2022

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

Principal activities

The Company's principal activity during the financial year was that of the operation of reserve power plants.

Results

The profit for the year amounted to £10,819,144 (2021: loss of £1,483,219) and at the year end the Company had net assets of £4,222,538 (2021: net liabilities of £6,596,606).

There is increased profit during the current financial year due to termination of loan and interest thereon for £10,217,893 as part of acquisition by The Fern Power Company Limited. These were waived and credited to other operating income in current year.

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:

Matthew George Setchell (resigned on 2 July 2021)

Paul Stephen Latham (appointed on 2 July 2021 and resigned on 11 January 2023)

OCS Services Limited (resigned on 2 July 2021)

Edward William Fellows (appointed on 11 January 2023)

Dr Michael John Bullard

Qualifying third party indemnity provisions

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.

St Asaph Power 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 2021.

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 14 February 2023 and signed on its behalf.



Edward William Fellows
Director

St Asaph Power Limited

Statement of income and retained earnings for the year ended 30 June 2022

	2022 £	2021 £
Turnover	4,695,595	1,291,187
Cost of sales	(3,330,434)	(1,513,991)
Gross profit/(loss)	1,365,161	(222,804)
Administrative expenses	(264,913)	(109,649)
Other operating income	10,217,893	-
Operating profit/(loss)	11,318,141	(332,453)
Interest payable and similar charges	(498,997)	(1,150,766)
Profit/(loss) before taxation	10,819,144	(1,483,219)
Taxation	-	-
Profit/(loss) for the financial year	10,819,144	(1,483,219)
Retained losses at the beginning of the year	(6,596,607)	(5,113,388)
Profit/(loss) for the financial year	10,819,144	(1,483,219)
Retained earnings/(losses) at the end of the year	4,222,537	(6,596,607)

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 6 to 13 form an integral part of these financial statements.

St Asaph Power Limited
Registered number: 09649240

Balance sheet
as at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	8,711,099	9,391,899
Current assets			
Debtors: amounts falling due within one year	6	685,593	184,753
Cash at bank and in hand		1,239,480	989,871
		<u>1,925,073</u>	<u>1,174,624</u>
Creditors: amounts falling due within one year	7	<u>(6,413,634)</u>	<u>(17,163,129)</u>
Total assets less current liabilities		<u>(4,488,561)</u>	<u>(15,988,505)</u>
Net assets/(liabilities)		<u><u>4,222,538</u></u>	<u><u>(6,596,606)</u></u>
Capital and reserves			
Called-up share capital	8	1	1
Profit and loss account		4,222,537	(6,596,607)
Total shareholder's funds/(deficit)		<u><u>4,222,538</u></u>	<u><u>(6,596,606)</u></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 financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 February 2023



Edward William Fellows
Director

The notes on pages 6 to 13 form an integral part of these financial statements.

St Asaph Power Limited

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

1. General information

St Asaph Power Limited is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom, registered number: 09649240. The registered office is at 6th Floor, 33 Holborn, London, England, EC1N2HT.

On 2 July 2021, the Company's immediate parent undertaking changed from Esus Reserve Power Limited to The Fern Power Company Limited.

The principal activity of the Company is the operation of reserve power plants.

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 areas involving a higher degree of judgement complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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 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.

St Asaph Power Limited

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

2. Accounting policies (continued)

2.3 Going concern (continued)

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.

2.4 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Statement of income and retained earnings within administrative expenses.

2.5 Turnover

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.

Revenue is derived from the electricity generated by reserve power plants and is recognised on an accrual basis in the period in which it is generated.

2.6 Finance costs

Finance costs are charged to Statement of income and retained earnings 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.

2.7 Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use and an estimate of the costs of dismantling and removing the item, and restoring the site if required.

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.

St Asaph Power Limited

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

2. Accounting policies (continued)

2.7 Tangible assets (continued)

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised at the earliest of the date of disposal or at the point which no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of income and retained earnings.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Long-term leasehold property	Over the period of the lease
Plant and machinery	4% and 10% straight line

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.

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 income and retained earnings, 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 income and retained earnings.

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 income and retained earnings.

2.9 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.

2.10 Operating leases

Rentals under operating leases are charged to the Statement of income and retained earnings on a straight-line basis over the lease term.

St Asaph Power Limited

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

2. Accounting policies (continued)

2.11 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of income and retained earnings, 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.

2.12 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of income and retained earnings.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised.

The impairment reversal is recognised in the Statement of income and retained earnings.

St Asaph Power Limited

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

2. Accounting policies (continued)

2.11 Financial instruments (continued)

(i) Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(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 income and retained earnings. 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 Balance sheet 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.

2.13 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.

3. Judgements 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

The Company has not made any critical judgements in applying the Company's accounting policies.

(b) Critical accounting estimates and assumptions

(i) Impairment of tangible assets

The Company makes an estimate of the recoverable value of tangible assets.

St Asaph Power Limited

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

(b) Critical accounting estimates and assumptions (continued)

(i) *Impairment of tangible assets (continued)*

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.

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 income and retained earnings.

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 had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of income and retained earnings.

See note 5 for the net carrying amount of tangible assets and associated impairment provision.

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).

5. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 July 2021	561,473	10,469,096	11,030,569
Other movements*	-	(300,000)	(300,000)
At 30 June 2022	561,473	10,169,096	10,730,569
Accumulated depreciation			
At 1 July 2021	-	1,638,670	1,638,670
Charge during the financial year	-	380,800	380,800
At 30 June 2022	-	2,019,470	2,019,470
Net book value			
At 30 June 2022	561,473	8,149,626	8,711,099
At 30 June 2021	561,473	8,830,426	9,391,899

*Other movement represents reversal of development fees related to previous period.

St Asaph Power Limited

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

6. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	24,815	5,131
Amounts owed by group undertakings	-	6,000
Prepayments and accrued income	660,777	145,197
Other debtors	1	28,425
	685,593	184,753

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

7. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	32,249	100,680
Amounts owed to group undertakings	5,640,293	4,746,190
Accruals and deferred income	660,125	4,900,657
Debenture loans	-	7,415,602
Other creditors	80,967	-
	6,413,634	17,163,129

Included within debenture loans is an amount of £nil (2021: £7,415,602) which is secured by a fixed and floating charge over the assets of the Company. The loan bears interest at nil (2021: 10% + 3M LIBOR) and are repayable within one year. The loan was terminated as part of the acquisition by The Fern Power Company Limited. As part of the acquisition £1,455,174 was waived during the year and is included within the other operating income in the Statement of income and retained earnings.

Included within amounts owed to group undertakings are unsecured loans with year end balances amounting to £5,640,293 (2021: £4,746,190). The loans bear interest at 7.5% (2021: 8.5%) and are repayable within one year. The loan with the previous shareholder was fully waived as part of the acquisition by The Fern Power Company Limited. As part of the acquisition £4,746,190 was waived during the year and is included within the other operating income in the Statement of income and retained earnings.

Included within accruals and deferred income are amounts of £nil (2021: £1,999,406) relating to interest payable on the debenture loan and £53,426 (2021: £1,957,339) relating to interest payable on the amounts owed to group undertakings. As part of the acquisition £6,201,364 was waived during the year and is included within the other operating income in the Statement of income and retained earnings.

St Asaph Power Limited

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

8. Called-up share capital

	2022 £	2021 £
Allotted, called-up and fully paid		
100 (2021: 90) ordinary shares of £0.01 each	1	1
Nil (2021: 10) deferred shares of £0.01 each	-	-
	<u>1</u>	<u>1</u>

The deferred shares confer no right to a dividend or other distribution of the profits of the Company and no voting rights.

On 2 July 2021, the class of deferred shares was converted into and redesignated as ordinary shares of £0.01 each.

9. 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.

10. Ultimate parent undertaking and controlling party

At the year end, the Company's immediate parent undertaking was The Fern Power Company Limited, a company incorporated in the United Kingdom.

On 2 July 2021, the Company's immediate parent undertaking changed from Esus Reserve Power Limited to The Fern Power Company Limited.

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

The Company's 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.

11. Events since the balance sheet date

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