Pimbo Generation Limited

Directors' Report and Financial Statements

Year Ended

31 December 2019

Company Number 10133254

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Pimbo Generation Limited

Company Information

Directors	Jonathan Poley Alan Baker
Registered number	10133254
Registered office	1st Floor, 17 Slingsby Place London WC2E 9AB
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

Pimbo Generation Limited

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Pimbo Generation Limited

Directors' Report
For the Year Ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

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.

Principal activity

The principal activity of the company during the period is the development and construction of a gas peaking power plant. The construction of the gas peaking power plant was completed on 18 October 2019 and it became operational.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company is dependent upon an interest-bearing loan from its parent, and ultimately related party Forsa Energy Limited, until revenues from primary business activities are sufficient to satisfy its obligations and fully finance its business activities and development programs. The Company believes that it has the necessary capital resources at the balance sheet date to continue as a going concern when taking into account the ability of the Company to obtain additional financing to continue to fund future business activities until the Company can fund this through internally generated cash flow.

The Directors confirm that they have complied with the requirements of Companies Act 2006. Based on the assessment they have made of the group's financial situation, they have concluded they have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the accounts.

The Directors have considered the impact which the current economic downturn, triggered by Covid-19, could have on the ability of the Group to continue as a going concern. The consolidated Group for which the Company is part of has been able to ensure the integrity of the operational projects is maintained, particularly operation and maintenance services and all planned commercial activities, including revenue trading which is handled remotely and involves extensive use of algorithms. In the Directors' view, power generation will remain essential to the UK's infrastructure. A letter of support has been provided by the parent company which confirms any loans due on demand will not be recalled unless the company is able to pay.

Even during a stress test, with the assumption that operational assets' trading covers their costs, but not the debt servicing obligations for the 12 months from signing this annual report, the Company would have sufficient cash available through the related party lending from Forsa Energy Limited to continue as a going concern and pay all its commitments as they fall due for 12 months from signing these financial statements.

As such, the Directors have adopted the going concern basis in preparing the Annual Report and Financial Statements.

Results and dividends

The loss for the year, after taxation, amounted to £371,744 (2018 - loss £174,838).

Directors

The Directors who served during the year were:

Timothy James Senior (resigned 16 August 2019)
Jonathan Poley
Alan Baker (appointed 8 August 2019)

Qualifying third party indemnity provisions

The Company has arranged qualifying third party indemnity for all of its directors.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Alan Baker
Director

Date: 14.08.2020

Independent Auditors' Report to the Members of Pimbo Generation Limited

Opinion

We have audited the financial statements of Pimbo Generation Limited (the 'Company') for the year ended 31 December 2019 which comprise of the Income Statement and Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BDO LLP

Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street
London
W1U 7EU
Date: 14.8.20

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Pimbo Generation Limited

Income Statement and Statement of Comprehensive Income
For the Year Ended 31 December 2019

	Note	2019 £	Period from 1 October 2017 to 31 December 2018 £
Turnover	4	**328,300**	-
Cost of sales		**(310,741)**	-
Gross profit		**17,559**	-
Administrative expenses		**(112,923)**	(145,449)
Depreciation - project in operation		**(124,746)**	-
Operating loss	5	**(220,110)**	(145,449)
Interest receivable and similar income	7	**-**	1,712
Interest payable and expenses	8	**(151,634)**	(31,101)
Loss before tax		**(371,744)**	(174,838)
Tax on loss	9	**-**	-
Loss for the financial year		**(371,744)**	(174,838)

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 10 to 22 form part of these financial statements.

Pimbo Generation Limited
Registered number:10133254

Statement of Financial Position
As at 31 December 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	10		**11,708,272**		4,259,223
			11,708,272		4,259,223
Current assets					
Debtors: amounts falling due within one year	12	**339,720**		34,235	
Bank and cash balances		**349**		367	
		340,069		34,602	
Creditors: amounts falling due within one year	13	**(12,446,201)**		(4,431,852)	
Net current liabilities			**(12,106,132)**		(4,397,250)
Total assets less current liabilities			**(397,860)**		(138,027)
Creditors: Amounts falling due after more than one year	14		**(148,911)**		(37,000)
Net liabilities			**(546,771)**		(175,027)
Capital and reserves					
Called up share capital	16		**1**		1
Profit and loss account			**(546,772)**		(175,028)
			(546,771)		(175,027)

The Company's 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 by:

Alan Baker
Director

Date: 14.08.2020

The notes on pages 10 to 22 form part of these financial statements.

Pimbo Generation Limited

Statement of Changes in Equity
For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	**1**	**(190)**	**(189)**
Comprehensive income for the period			
Loss for the period	-	**(174,838)**	**(174,838)**
At 1 January 2019	**1**	**(175,028)**	**(175,027)**
Comprehensive income for the year			
Loss for the year	-	**(371,744)**	**(371,744)**
At 31 December 2019	**1**	**(546,772)**	**(546,771)**

The notes on pages 10 to 22 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The Company financial statements are prepared for Pimbo Generation Limited for the year ended 31 December 2019. The financial statements are presented in Pound Sterling, the presentation and functional currency of the Company with figures rounded to the nearest pound. The Company is limited by shares and is incorporated in the United Kingdom.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. There are no material departures from these standards.

1.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company is dependent upon an interest-bearing loan from its parent, and ultimately related party Forsa Energy Limited, until revenues from primary business activities are sufficient to satisfy its obligations and fully finance its business activities and development programs. The Company believes that it has the necessary capital resources at the balance sheet date to continue as a going concern when taking into account the ability of the Company to obtain additional financing to continue to fund future business activities until the Company can fund this through internally generated cash flow.

The Directors confirm that they have complied with the requirements of Companies Act 2006. Based on the assessment they have made of the group's financial situation, they have concluded they have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the accounts.

The Directors have considered the impact which the current economic downturn, triggered by Covid-19, could have on the ability of the Group to continue as a going concern. The consolidated Group for which the Company is part of has been able to ensure the integrity of the operational projects is maintained, particularly operation and maintenance services and all planned commercial activities, including revenue trading which is handled remotely and involves extensive use of algorithms. In the Directors' view, power generation will remain essential to the UK's infrastructure. A letter of support has been provided by the parent company which confirm any loans due on demand will not be recalled unless the company is able to pay.

Even during a stress test, with the assumption that operational assets' trading covers their costs, but not the debt servicing obligations for the 12 months from signing this annual report, the Company would have sufficient cash available through the related party lending from Forsa Energy Limited to continue as a going concern and pay all its commitments as they fall due for 12 months from signing these financial statements.

As such, the Directors have adopted the going concern basis in preparing the Annual Report and Financial Statements.

1. Accounting policies (continued)

1.3 Exemption under FRS102

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company; and
- transactions with group undertakings where 100% of the voting rights are controlled within the group.

Refer to Note 21 for more information on where to obtain a copy of the Group accounts.

1.4 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.

Merchant Electricity Revenue
Revenue from the sale of merchant electricity and associated embedded benefits is recognised where there is an unconditional contract of sale, based on the quantity of electricity and price based on the contracted rate on the date of export.

Capacity Market Revenue
Revenue earned from providing the capacity market is recognised where there is an unconditional contract for the provision of services, based on the contracted price and the availability during the contract.

Balancing Services Revenue
Revenue earned from providing balancing services to National Grid is recognised where there is an unconditional contract for the provision of services, based on the contracted price and the availability during the contract.

1.5 Interest income

Interest income relates to loans from other group entities and is recognised in the income statement as it accrues.

1.6 Interest payable

Interest income and expenditure relates to cash at bank and loans from other group entities. Interest costs in relation to loans from other group entities are recognised in the income statement as they accrue.

1.7 Loans

Loans with other group entities are considered "basic" financial instruments as defined under FRS 102 par 11.5 and 11.8 and are recognised at amortised cost.

1. Accounting policies (continued)

1.8 Capitalisation of finance costs and interest expenses

Interest is capitalised gross of related tax relief and before any effective interest method calculation adjustments during the period of construction where it relates either to the financing of major projects with long periods of development or to dedicated financing of other projects. All other interest is charged against income in the year in which it is incurred.

1.9 Projects in development

Costs which are directly attributable to the development of potential gas peaking power plant sites, and which have a reasonable expectation of obtaining the consents required for constructing a gas peaking power plant, and to the extent that those costs do not exceed expected recoverable amounts, are treated as work in progress and not expensed. The main aspects to address during the initial development stage of a gas peaking power plant are planning consent and early grid and gas connection analyses (including feasibility and applications). Once a site has achieved planning consent, the preconstruction stage begins and consists of the selection of appropriate gas engines, the completion of designs for the layout of the site (both civil and electrical), the grid and gas connections. All contracts required for the supply of electricity are also completed. At the same time, negotiations take place with lenders to arrange financing of the gas peaking power plant.

By the end of these phases, the gas peaking power plant will reach financial close and construction can begin, with the assets then classified as assets in construction.

Development costs are capitalised using management's assessment of the likelihood of a successful outcome from each project. Should the gas peaking power plant not reach financial close any capitalised development costs would be expensed.

1.10 Property, plant and equipment

Projects under construction
Costs related to projects under construction are capitalised where, in the opinion of the Directors, the related project is highly likely to be successfully constructed and the economic benefits arising from future operations will at least equal the amount of capitalised expenditure incurred to date and the cost can be measured reliably. Subsequently they are measured at cost as Property, Plant and equipment.

The Group does not charge any depreciation on its projects under construction as the projects are not operational yet and the economic benefit of the assets have not yet started to flow into the business.

Once a project become operational, interest costs that can be directly attributable to the project are capitalised.

Once a project is completed and becomes operational, it will be considered an operational gas peaking power plant and is depreciated over its useful economic life, which the Group currently estimates to be 20 years. The useful life is based on industry standards and research which indicates that gas peaking power plants have a life of 20 years if not longer.

1. Accounting policies (continued)

1.11 Depreciation

Depreciation is provided to write off the cost of all tangible fixed assets, except projects under construction, evenly over their expected useful lives. It is calculated as follows:

Operational gas peaking power plants - straight line over 20 years

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

Gains and losses on disposal (where applicable) are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

1.12 Impairment of fixed assets

At each balance sheet date, the Company reviews the carrying amounts of its assets that are subject to and amortisation to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). The impairment is measured as the difference between the recoverable amount and the carrying amount and is recognised in the profit and loss. Where it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

1.13 Decommissioning provision

A rehabilitation or decommissioning provision has been accounted for where a project has a legal liability under a project lease, to return the leased lands to their original condition prior to signing the lease. At the end of the lease, costs are incurred in disconnecting the site from grid and gas, removing the engines from site and removing all other equipment. The Company recognises the full discounted cost of decommissioning as an asset and liability when the obligation to decommission the site arises. The decommissioning asset is included within property, plant & equipment – development assets with the cost of the related project. The liability is included within provisions. Revisions to the estimated costs of decommissioning which alter the level of the provisions required are also reflected in adjustments to the decommissioning asset. The amortisation of the asset is calculated over the term of the land lease and is recongnised on the income statement.

1. Accounting policies (continued)

1.14 Current and deferred taxation

Tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income or 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.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for in respect of all timing differences that have originated but not reversed by balance sheet date.

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. Current and deferred tax balances are not discounted.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference 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.

1.15 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.

1.16 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.

1.17 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. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

There are not considered to be any indicators of impairment of the Company's fixed and current assets. Factors taken into consideration in reaching such a decision include economic viability and expected future financial performance of the asset.

Going concern – refer to note 1.2.

Accrued income is calculated on the actual electricity generated however is not able to be invoiced as it is yet to be validated by external parties or for various other reasons. Estimates are sometimes made with regards to price on portions of income or other certain aspects of the accrued income based on management's best information of the price at the time such as contracted prices or recent history of transactions

3. Employees

The Company had no employees during the year (2018: Nil). No remuneration or pension was paid to the Directors for their services to the Company during the year (2018: £Nil). The Directors of the Company receive remuneration from a separate limited Company.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
External revenue	328,300	-
	328,300	-

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	328,300	-
	328,300	-

5. Operating loss

The operating loss is stated after charging:

	2019 £	Period from 1 October 2017 to 31 December 2018 £
Depreciation - project in operation	**124,746**	-
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**9,000**	7,000

6. Auditors' remuneration

	2019 £	Period from 1 October 2017 to 31 December 2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**9,000**	7,000

7. Interest receivable

	2019 £	Period from 1 October 2017 to 31 December 2018 £
Other interest receivable	**-**	1,712

8. Interest payable and similar expenses

	2019 £	Period from 1 October 2017 to 31 December 2018 £
Loans from group undertakings	**151,616**	31,101
Other expense	**18**	-
	151,634	31,101

9. Taxation

No liability to UK corporation tax arose on ordinary activities for the period ended 31 December 2019, nor for the period ended 31 December 2018.

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2018 -the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	Period from 1 October 2017 to 31 December 2018 £
Loss on ordinary activities before tax	**(371,744)**	(174,838)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 -19%)	**(70,631)**	(33,219)
Effects of:		
Expenses not deductible for tax purposes	**70,154**	-
Fixed asset differences	**23,702**	-
Deferred tax not recognised	**(23,225)**	33,219
Total tax charge for the year/period	**-**	-

9. Taxation (continued)

Factors that may affect future tax charges

As at the year end, the enacted corporation tax rate to apply from 1 April 2020 was 17%, so that rate has been applied to the unrecognised deferred tax asset of £8,924. On 17 March 2020, the change to 17% was reversed, such that the 19% was substantively enacted to continue to apply from 1 April 2020.

Deferred tax

The Company has an unrecognised deferred tax asset of £8,924 in repsect of tax losses carried forward. This asset has not been recognised as there is insufficient certainty as to its recoverability against future trading profits.

10. Tangible fixed assets

	Project in operation £	Project under construction £	Total £
Cost or valuation			
At 1 January 2019	**37,000**	**4,222,223**	**4,259,223**
Additions	**108,769**	**7,465,026**	**7,573,795**
Transfers between classes	**11,687,249**	**(11,687,249)**	**-**
At 31 December 2019	**11,833,018**	**-**	**11,833,018**
Depreciation			
Charge for the year on owned assets	**124,746**	**-**	**124,746**
At 31 December 2019	**124,746**	**-**	**124,746**
Net book value			
At 31 December 2019	**11,708,272**	**-**	**11,708,272**
At 31 December 2018	37,000	4,222,223	4,259,223

During the year a total of £435,846 of intercompany loan interest was capitalised in the project under construction balance within fixed assets.

11. Project in development

	2019 £	2018 £
Opening projects in development	-	246,329
Additions in the period	-	1,425,236
Transfer to projects under construction	-	(1,671,565)
	-	-

12. Debtors

	2019 £	2018 £
Trade debtors	**109,056**	-
Other debtors	**192,053**	34,235
Prepayments and accrued income	**38,611**	-
	339,720	34,235

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	**543,830**	148,120
Amounts owed to group undertakings	**11,626,630**	4,231,396
Accruals and deferred income	**275,741**	52,336
	12,446,201	4,431,852

Amounts owed to group undertakings of £11,626,630 (2018: £4,231,396) relates to a 9% (2018: 9%) interest-bearing loan that is unsecured and repayable on demand. Further amounts owed to group undertakings of £7,032,884 (2018: £Nil) relates to a 6% (2018: 6%) interest-bearing loan that is unsecured and repayable on demand.

The Company, through its parent entity Forsa Energy Gas Acquisitions Holdco 1 has an £8.5 million finance facility available for the construction of a gas peaking power plant. This is made up of a Development facility of £7.7 million and a VAT facility of £0.8 million. As at 31 December 2019, £6,601,981 (2018: £Nil) had been drawn on the Development facility and £225,482 (2018: £10,399) on the VAT Facility.

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

	2019 £	2018 £
Decommissioning provision	**148,911**	37,000
	148,911	37,000

15. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	**349**	367
Financial assets that are debt instruments measured at amortised cost	**109,056**	-
	109,405	367
Financial liabilities		
Financial liabilities measured at amortised cost	**(12,516,103)**	(4,468,852)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors,accruals and decommissioning provision.

16. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 Ordinary share of £1.00	1	1

17. Capital commitments

At 31 December 2019 the Company had capital commitments as follows:

	2019 £	2018 £
EPC - Engines	**8,936**	2,960,510
EPC - BOP	**-**	3,742,874
Grid	**14,390**	471,561
Gas	**-**	6,721
	23,326	7,181,666

18. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	**35,002**	34,238
Later than 1 year and not later than 5 years	**151,202**	152,713
Later than 5 years	**693,357**	784,878
	879,561	971,829

19. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

A total of £Nil (2018: £670,481) was recharged from Forsa Energy Ltd to the Company during the year. This recharge was done under a development services agreement between the Company and Forsa Energy Ltd whereby Forsa Energy Ltd provides services in support of the development of the project.

20. Subsequent events

The impact of Covid-19 is regarded as a non-adjusting event under section 32 of FRS 102 and it does not have any impact on the valuation of the Company's assets and liabilities at the year end or post year end.

21. Controlling party

The Company's immediate parent undertaking is Forsa Energy Gas Aquisition Holdco 1 Limited. The largest and smallest group of which the Company is a member for which group financial statements are prepared is Forsa Energy 2 Holdings Limited. Copies of the financial statements of Forsa Energy 2 Holdings Limited can be obtained from the Company's registered office First Floor, 17 Slingsby Place, London, WC2E 9AB.

The Company's ultimate parent undertaking and controlling party at the balance sheet date was R/C Europe Wind IP, LP a limited partnership established in the Cayman Islands.