

Registered Number: 10507633

UKWREI (GP) Limited
Annual Report and Financial Statements
29 June 2021



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Company Information

Registered Number: 10507633

Directors

M Helmore
S Johnson
S Hicks
E Renton

Secretary

None

Registered Office

1650 Arlington Business Park
Theale
Reading
RG7 4SA

Independent Auditor

BDO LLP
55 Baker Street
Marylebone
London
W1U 7EU

Directors' Report

The directors of UKWREI (GP) Limited (the "Company") present their directors' report for the year ended 29 June 2021.

Review of the business and principal activities

The principal activity of UKWREI (GP) Limited, a directly wholly owned subsidiary of Bioenergy Infrastructure Holdings Limited, which in turn is an indirectly owned subsidiary of Bioenergy Infrastructure Limited (the parent of "the Bioenergy Group" or "the Group") for the year, was the holding of Group company investments.

Results and performance

The Company recorded neither a profit nor a loss for the current or prior period. As at 29 June 2021, the Company is in a net liabilities position of £6,350 (2020: £6,350).

Dividends

No dividends were declared or paid in the period (2020: £nil).

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are those linked to the activities of the wider Bioenergy Group. These are credit risk, liquidity risk, construction risk, operational performance risk and market risk.

Credit risk

Credit risk is the risk arising from the failure of a counterparty to pay its debts. Each new counterparty is analysed individually for creditworthiness, before negotiating bespoke contracts and payments terms in conjunction with each potential investment. The review includes external ratings, where available, and in some cases bank references. Contracts for gate fees and power purchase agreements are predominantly with investment grade and tier 1 counterparties.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Typically, the company ensures that it has sufficient cash on demand or borrowing facilities to meet expected operational expenses for a period of 1 year, including the servicing of financial obligations.

Construction risk

The Group continues to build and develop Bioenergy facilities at a number of sites and has invested in a number of projects under construction. As a condition of investment, the Group has at least one Director on the Board of the project company. Contractual penalties are in place to incentivise contractors to complete the projects on time. The operational cash flows from these companies support the repayment of loan investments and so managing these construction programmes with the contractors is an important activity for the Group. Bioenergy Infrastructure Limited (the intermediate parent of the Company) has established a team of sector experienced engineering and commercial staff in order to manage this risk; including specialist contractors who are present on site to supervise activities.

Operational performance risk

Once built the Bioenergy assets must be run efficiently in order to deliver the levels of profitability necessary to support the loan and equity investment into the Group. The projects typically operate with an outsourced Operations & Maintenance contract and so the performance and management of these contracts is key to the financial standing of the Group. Contracts are in place to incentivise providers to meet targets (as well as there being contractual penalties for not meeting required standards). When assets move from the construction to the operational phase, the Group retains a seat on the Board so that the performance of the assets can be actively managed.

Directors' Report (*continued*)

Principal risks and uncertainties (*continued*)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. In addition, the company operates in the waste and biomass markets and so the pricing of these feedstocks is a material factor in its profitability. This has been mitigated to the extent practical through supply contracts and the recruitment of industry specialists to manage this exposure.

Directors and their interests

The directors which served during the year and to the date of this report were as follows:

M D C Helmore

S Johnson

R H McPherson (resigned 1 June 2021)

B Wright (resigned 31 July 2020)

S Hicks (appointed 1 June 2021)

E Renton (appointed 16 September 2020)

No director had an interest in the share capital of the company at the balance sheet date or subsequently nor in the shares of any other Group company.

Political and charitable donations

No political or charitable donations have been made in the current or prior period.

Going Concern

The Company is in a net liabilities position of £6,349 as at 29 June 2021 (2020: £6,349) and a net current liabilities position of £6,350 (2020: £6,350). The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore it is appropriate to adopt the going concern basis in preparing the financial statements, see note 2.

Events after the balance sheet date

There have been no material adjusting items since the financial period end (note 13).

Directors' statement as to disclosure of information to auditor

The directors who were members of the Board at the time of approving the directors' report are named on page 4. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware, and;
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' Report (continued)

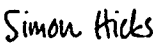
Independent auditor

BDO LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Small companies' exemptions

The directors have taken advantage of the small companies' exemption under the Companies Act 2006 in preparing the directors' report and have taken advantage of the exemption in the Companies Act 2006 (section 414B (b)) for including a Strategic Review Statement in the financial statements.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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S Hicks
Director

23 August 2022

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework". 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

Independent Auditor's report to the members of UKWREI (GP) Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 June 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of UKWREI (GP) Limited ("the Company") for the period ended 29 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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.

Independent Auditor's report to the members of UKWREI (GP) Limited *(continued)*

Other Companies Act 2006 reporting *(continued)*

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.
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from preparing a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Holding discussions with management to understand the laws and regulations relevant to the company. These included elements of financial reporting framework and tax legislation;
- Holding discussions with management and the audit committee and considering any known or suspected instances of non-compliance with laws and regulations or fraud;
- Performing a detailed review of the year-end adjusting entries and investigating any that appear unusual as to nature or amount; and
- Assessing the judgements made by management when making key accounting estimates and judgements, and challenging management on the appropriateness of these judgements

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.


A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's report to the members of UKWREI (GP) Limited (*continued*)

Use of our report

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.

DocuSigned by:

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Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
26 August 2022

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

Statement of Comprehensive Income

For the period ended 29 June 2021

	Note	Year ended 29 June 2021 £	Year ended 29 June 2020 £
Administrative expenses		-	-
Result before tax	5	-	-
Taxation	7	-	-
Result for the period		-	-

All activities relate to continuing operations.

There is no other income or expense recognised in the company statement of other comprehensive income in relation to the continuing operations other than loss for the period, therefore a statement of other comprehensive income is not presented.

The notes on pages 13 to 17 form an integral part of the financial statements.


Statement of Financial Position

As at 29 June 2021

	Note	29 June 2021 £	29 June 2020 £
Fixed assets			
Investments	9	1	1
Total non-current assets		<u>1</u>	<u>1</u>
Current liabilities			
Creditors	10	<u>(6,350)</u>	<u>(6,350)</u>
Total current liabilities		(6,350)	(6,350)
Net current liabilities		(6,350)	(6,350)
Net liabilities		<u>(6,349)</u>	<u>(6,349)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		(6,350)	(6,350)
Shareholder deficit		<u>(6,349)</u>	<u>(6,349)</u>

The notes on pages 13 to 17 form an integral part of these financial statements.

The financial statements of UKWREI (GP) Limited (registered number 10507633) were approved by the board of directors and authorised for issue on 23 August 2022. They were signed on its behalf by:

DocuSigned by:

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S Hicks
Director

Statement of Changes in Equity

For the period ended 29 June 2021

	Share capital £	Profit and loss account £	Total £
Balance at 30 June 2019	1	(6,350)	(6,349)
Result for the period	-	-	-
Balance at 29 June 2020	1	(6,350)	(6,349)
Result for the period	-	-	-
Balance at 29 June 2021	1	(6,350)	(6,349)

The notes on pages 13 to 17 form an integral part of these financial statements.

Notes to the Financial Statements

1. General information

UKWREI (GP) Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006. The registered office is stated on page 2. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 3 to 5.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. Amounts are rounded to the nearest pound, unless otherwise stated.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Bioenergy Infrastructure Limited. The group accounts of Bioenergy Infrastructure limited are available to the public and can be obtained as set out in note 12.

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

2. Significant accounting policies

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council ("FRC"). The company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs") but the financial statements have been prepared in accordance with Financial Reporting Standard 101 ("FRS 101") 'Reduced Disclosure Framework' as issued by the FRC but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

- (a) The requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement* to the extent that they apply to assets and liabilities other than financial instruments.
- (b) The requirements of paragraph 10(d), 16, 38A, 38B, 38C, 38D and 111 of IAS 1 *Presentation of Financial Statements*
- (c) The requirements of IAS 7 *Statement of Cash Flows*
- (d) The requirements of IFRS 7 *Financial instruments: Disclosures*
- (e) The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- (f) The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures*
- (g) 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.

Where relevant, equivalent disclosures have been provided in the group accounts of Bioenergy Infrastructure Limited, in which the Company is consolidated. Copies of Bioenergy Infrastructure Limited accounts can be obtained as detailed at note 12.

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

New standards, interpretations and amendments effective for the current year

There were no new accounting standards that were effective in the current year which had a material impact on the Company.

Notes to the financial statements (*continued*)

2. Significant accounting policies (*continued*)

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the directors' report on pages 3 to 5.

The Company is in a net liabilities position of £6,349 as at 29 June 2021 (2020: £6,349) and a net current liabilities position of £6,350 (2020: £6,350). The net current liabilities position is due to amounts owed to the Company's parent which are repayable on demand.

The Directors review and monitor cashflows monthly. The Directors have prepared a 12 month cash flow forecast from the date of signing and have received a letter of no recall for a period of 12 months from the date of signing in respect of the group creditor due in less than one year. On the basis of their assessment they have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Operating result

Operating result is stated after charging administrative expenses.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Notes to the financial statements (*continued*)

2. Significant accounting policies (*continued*)

Investments

Investments in partnerships are held at historic cost, less provision for impairment.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 2 the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 that period, or in the period of the revision and future periods if the revisions affects both current and future periods. The Directors do not consider there to be any significant judgements applied in these financial statements.

4. Revenue

The company has generated no revenue in the period (2020: nil)

5. Profit before taxation

Fees payable to BDO LLP for the audit of the Company's financial statements for the current period of £2,850 (2020: £2,767) have been borne by a fellow group company.

6. Directors' emoluments

No amounts were paid to the Company's directors during the period (2020: £nil).

Notes to the financial statements (*continued*)

7. Taxation

Analysis of tax charge arising in the period

	Year ended 29 June 2021	Year ended 29 June 2020
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax charge	-	-

Factors affecting the current tax charge for the period

The charge for the period can be reconciled to the loss in the profit and loss account as follows:

	Year ended 29 June 2021	Year ended 29 June 2020
	£	£
Loss before tax	-	-
Loss before tax multiplied by the standard rate of tax in the UK of 19% (2020: 19.00%)	-	-
Total tax charge	-	-

At the balance sheet date, the Company had no unused tax losses (2020: £nil) available for offset against future profits.

8. Dividends

No dividends were declared or paid in the period (2020: £nil).

9. Investments

Investments in subsidiaries	29 June 2021	29 June 2020
	£	£
Balance at the start and end of the period	1	1

Investments in subsidiaries represents 100% of the issued share capital of UK Waste Resources and Energy Investments (GP) Limited, a company incorporated in Scotland. The company's registered office is 1650 Arlington Business Park, Theale, Reading RG7 4SA.

Notes to the financial statements (*continued*)

10. Creditors

Amounts falling due within one year

	29 June 2021 £	29 June 2020 £
Amounts owed to fellow group companies	<u>6,350</u>	<u>6,350</u>

Amounts owed to fellow group companies is interest free and repayable on demand

11. Share capital

	29 June 2021 £	29 June 2020 £
Authorised, issued and fully paid: 1 ordinary share of £1	<u>1</u>	<u>1</u>

The Company has one class of ordinary shares which carry no right to fixed income.

12. Controlling party

In the opinion of the directors, the Company's ultimate controlling party is M&G plc, a Company incorporated in Great Britain. The Company's immediate parent company is Bioenergy Infrastructure Holdings Limited.

M&G plc is the parent undertaking of the largest group, and Bioenergy Infrastructure Limited the parent undertaking of the smallest group, for which consolidated financial statements are prepared.

Copies of the group financial statements of M&G plc and Bioenergy Infrastructure Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ.

13. Events after the balance sheet date

No significant events have occurred after the balance sheet date.