

# **Pivot Power (Holding) Limited**

Annual Report and Financial Statements

Registered number 12005428

for the Period Ended 30 September 2019

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Pivot Power (Holding) Limited  
Annual report and financial statements  
For the period ended 30 September 2019  
Registered number 12005428

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## **Company information**

<b>Directors</b>	Matthew Allen Matthew Boulton Michael Clark Ben Fawcett Matthieu Hue Hassaan Majid Donald Mackay
<b>Auditors</b>	KPMG LLP 66 Queen Square Bristol BS1 4BE
<b>Registered office</b>	Alexander House 1 Mandarin Road Rainton Bridge Business Park Houghton le Spring Sunderland DH4 5RA

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## Strategic report

The Directors present their strategic report for the period ended 30 September 2019 for Pivot Power (Holding) Limited (the "Company").

### Business review

The Company was incorporated on 20 May 2019 for the purposes of holding two subsidiary undertakings, all of which relate to the development, construction and operation of battery storage facilities and private wire networks.

In May 2019, the Company purchased TSC Power Ltd from individual shareholders via a share-for-share-exchange with the consideration being shares in the Company. TSC Power Ltd had a 70% membership interest in Pivoted Power LLP (formerly Pivot Power LLP). Subsequently, this membership interest in Pivoted Power LLP was sold from TSC Power Ltd to the Company.

In June 2019, the Company purchased the 30% membership interest in Pivoted Power LLP from Bangall Energy Ppower Limited with the result that Bagnall Energy Limited became a 30% shareholder in the Company. Following this, the Company then sold 0.01% of its membership interest in Pivoted Power LLP to Pivot Power Limited. Through a series of transactions, the Company's ownership was transferred from a group of individual shareholders and Bagnall Energy Limited to Pivot Power Limited.

As a result of these transactions, the Company had a shareholder loan with Pivot Power Limited and had given a shareholder loan to Pivoted Power LLP. These loans were then waived by way of capital contribution. Also, as a result of a loss in Pivoted Power LLP, the Company as a 99.99% member of this LLP received a tax credit of £160,000.

### Principal risks and uncertainties

The principal risks to the profitability of the Company are as follows:

#### *Brexit*

The Company's exposure to Brexit-related risks is dependent on the impact of these risks on its subsidiaries. The impact on the Company's subsidiaries is not expected to be significant.

#### *Financial risks*

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company adopts a prudent approach to liquidity management and mitigates against cash flow and liquidity risk by continuously monitoring forecasted and actual cash flows and maintaining sufficient cash reserves to meet its obligations. The Company's main exposure to credit risk is its cash balances with banks. The risk is mitigated through using banks with good credit ratings.

#### *Covid-19*

Covid-19 related risks would be related to operational costs of the Company. Any additional costs that may be incurred would be the result of Covid-19 related delays to the supply of plant, property or equipment or services. These are expected to be short-term in nature and would be managed by the Company through its existing processes.

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## Strategic report (continued)

### Business Environment, Performance and Key Performance Indicators

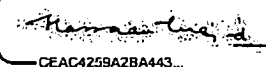
The Directors believe that as the Company's main purpose is to hold investments in battery storage and private wire networks, and these have not commenced operation, performance indicators for the Company are not appropriate for an understanding of the development, performance or position of the business.

There are no major health and safety incidents to report in the year.

### Future outlook

The future performance of the Company is dependent on the performance of its investments in its subsidiary undertaking. The Directors expect that its subsidiary undertaking will commence construction of the renewable energy projects in the forthcoming year.

Approved by the Board on 8 July 2020 and signed on its behalf by:

DocuSigned by:  
  
CEAC4259A2BA443...  
Hassaan Majid  
Director

Alexander House  
1 Mandarin Road  
Rainton Bridge Business Park  
Houghton le Spring  
Sunderland  
DH4 5RA

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## Directors' report

### Principal activities of the Company

The Company's principal activity is the financing and ownership of the UK based battery storage and private wire networks. It will continue in these activities for the foreseeable future.

### Results and dividends

The result for the period, before taxation, amounted to £Nil, and after taxation, amounted to £160,000. The Directors do not recommend the payment of a dividend.

### Directors of the Company

The Directors who held office during the period and subsequently to the date of this report were as follows:

Matthew Allen (appointed 20 May 2019)

Matthew Boulton (appointed 20 May 2019)

Michael Clark (appointed 20 May 2019)

The following Directors were appointed after the period end:

Ben Fawcett (appointed 31 October 2019)

Matthieu Hue (appointed 31 October 2019)

Hassaan Majid (appointed 31 October 2019)

John Penman (appointed 31 October 2019 and resigned 9 April 2020)

Donald Mackay (appointed 9 April 2020)

None of the Directors have an employment contract with the Company in the current year.

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

### Financial risk management objectives and policies

The Directors refer to their Strategic Report they presented in page 2.

### Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impact of Covid-19, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Fellow subsidiary companies consist of operating wind parks and holding companies which generate cash which is then passed to intermediate parent companies, EDF Energy Renewables Limited (which acts as the UK group treasurer) and EDF EN UK Limited, so that each fellow subsidiary is able to settle their liabilities as they fall due. At 31 December 2019, EDF Energy Renewables Limited has a cash balance of £85,379,000 (30 June 2020: £48,673,000 (unaudited)), with a further cash balance of approximately £84,444,000 held in other UK subsidiaries (30 June 2020: £102,943,000 (unaudited)). The UK group is financed by way of a £294,400,000 loan from EDF Renouvelables SA to EDF EN UK Limited and the annual interest and principal repayment obligation is approximately £14,000,000. Forecasts are dependent on the Company's fellow subsidiaries, operational wind parks, generating sufficient cash to enable the group to continue its development activities in the UK and to meet interest and principal repayments.

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## **Directors' report (continued)**

### **Going concern (continued)**

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### **Political donations**

The Company made no political contributions in the period.

### **Other Information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

### **Disclosure of information to the auditors**

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any 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 section 418 of the Companies Act 2006.

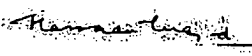
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## **Directors' report (continued)**

### **Auditor**

It is noted that KPMG LLP as appointed by the members are deemed to be re-appointed as the auditor to the Company for the financial year ended 30 September 2020 in accordance with the provisions of Section 487(2) of the Companies Act 2006 and that the Directors have been authorised to set the remuneration of the auditor.

Approved by the Board on 8 July 2020 and signed on its behalf by:

DocuSigned by:  
  
CEAC4259A2BA443...  
Hassaan Majid  
Director

Alexander House  
1 Mandarin Road  
Rainton Bridge Business Park  
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DH4 5RA



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## **Statement of Directors' Responsibilities in respect of the annual report and financial statements**

The Directors are responsible for preparing the Strategic report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 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 and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Pivot Power (Holding) Limited**

### **Opinion**

We have audited the financial statements of Pivot Power (Holding) Limited ("the Company") for the period ended 30 September 2019, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

## **Independent auditor's report to the members of Pivot Power (Holding) Limited (continued)**

### **Strategic report and Directors' report**

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**Independent auditor's report to the members of Pivot Power (Holding) Limited  
(continued)**

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**James Ledward (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

**10 July 2020** .....

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**Profit and loss account and other comprehensive income**  
*for the period ended 30 September 2019*

	<b>Period ended 30 September 2019 £ 000</b>
Result before tax	-
Tax on result	<u>160</u>
<b>Profit for the period attributable to the equity shareholders of the Company</b>	<u><b>160</b></u>
 <b>Total comprehensive income for the period</b>	 <u><u><b>160</b></u></u>

There was no other comprehensive income for the current period.

All results are derived from continuing operations.

The notes on pages 15 to 24 form an integral part of these financial statements.

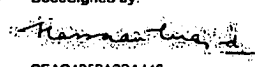
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**Balance sheet**  
*as at 30 September 2019*

	Note	2019 £ 000
<b>Fixed assets</b>		
Investments	7	10,199
<b>Provisions for assets</b>		
Deferred tax assets	6	160
<b>Net assets</b>		<u>10,359</u>
<b>Capital and reserves</b>		
Called up share capital	9	-
Capital contribution reserve	9	10,199
Profit and loss account	9	160
<b>Shareholders' funds</b>		<u>10,359</u>

The notes on pages 15 to 24 form an integral part of these financial statements.

The financial statements of Pivot Power (Holding) Limited (registered number 12005428) were approved by the Board of Directors on 8 July 2020 and signed on its behalf by:

DocuSigned by:  
  
CEAC425BA2BA443...  
Hassaan Majid  
Director

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## Statement of changes in equity

	<b>Called up share capital £ 000</b>	<b>Capital contribution reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total equity £ 000</b>
<b>Balance on incorporation</b>	-	-	-	-
<b>Profit for the period</b>	-	-	160	160
<b>Capital contribution</b>	-	10,199	-	10,199
<b>At 30 September 2019</b>	-	10,199	160	10,359

The notes on pages 15 to 24 form an integral part of these financial statements.

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**Statement of cash flows**  
*for the period ended 30 September 2019*

	Note	Period ended 30 September 2019 £ 000
<b>Cash flows from operating activities</b>	8	-
<b>Cash flows from investing activities</b>		
Investment in subsidiaries	7	(10,199)
<b>Net cash flows from investing activities</b>		(10,199)
<b>Cash flows from financing activities</b>		
Loans from shareholders		10,199
Capital contribution from shareholder		10,199
Repayment of loans		(10,199)
<b>Net cash flow from financing activities</b>		10,199
<b>Net increase/(decrease) in cash and cash equivalents</b>		-
Cash and cash equivalents on incorporation		-
Cash and cash equivalents at 30 September 2019		-

The notes on pages 15 to 24 form an integral part of these financial statements.



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## Notes to the financial statements

### 1 Accounting policies

#### *General information and basis of accounting*

Pivot Power (Holding) Limited is a private company limited by shares incorporated, domiciled, and registered in England in the United Kingdom and resident in the UK for tax purposes. The registered number is 12005428 and the address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The Company is exempt by virtue of section 399 of the Companies Act 2006 from the requirement to prepare and deliver group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Judgements made by the Directors, in the application of these accounting policies, which have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

#### *Measurement convention*

The financial statements are prepared on the historical cost basis.

#### *Investments*

Investments in subsidiaries are carried at cost less impairment. Transactions costs associated with acquisitions are included in the cost of investment where appropriate.

#### *Cash and cash equivalents*

Cash comprises cash in hand and deposits held which are repayable on demand.

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## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *Going concern*

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impact of Covid-19, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The subsidiary companies consist of operating wind parks and holding companies which generate cash which is then passed to intermediate parent companies, EDF Energy Renewables Limited (which acts as the UK group treasurer) and EDF EN UK Limited, so that each fellow subsidiary is able to settle their liabilities as they fall due. At 31 December 2019 EDF Energy Renewables Limited has a cash balance of £86m (30 June 2020: £49m (unaudited)) with a further cash balance of approximately £77m held in other UK subsidiaries (30 June 2020: £87m (unaudited)). The UK Group is financed by way of a £294.4m loan from EDF Renouvelables SA to EDF EN UK Limited and the annual interest and principal repayment obligation is approximately £14m. Forecasts are dependent on the Company's fellow subsidiaries, operational wind parks, generating sufficient cash to enable the group to continue its development activities in the UK and to meet interest and principal repayments.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *Financial instruments*

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Impairment*

A financial asset (including trade and other debtors) not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Impairment of non-financial assets excluding deferred tax assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

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## **Notes to the financial statements (continued)**

### **1 Accounting policies (continued)**

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **2 Operating profit**

Audit fees of £5,000. were borne by EDF Energy Renewables Limited.

### **3 Directors' emoluments**

None of the Directors have had a service contract with the Company in the current or prior year. They are all employed by companies within the EDF group and no portion of their remuneration can be specially attributed to their services to the Company.

### **4 Staff costs**

The Company had no employees in the period ended 30 September 2019.

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## Notes to the financial statements (continued)

### 5 Tax on profit on ordinary activities

#### (a) Total tax credit recognised in the profit and loss account

	Period ended 30 September 2019 £ 000
<b>Current tax</b>	
Total current tax charge	-
<b>Deferred tax</b>	
Origination and reversal of timing differences	(160)
Total deferred tax credit for the period (note 6)	(160)
<b>Total tax credit on result</b>	<u>(160)</u>

#### (b) Reconciliation of effective tax rate:

	Period ended 30 September 2019 £ 000
Profit/(loss) before tax	-
Tax using the UK tax corporation rate of 19%	-
<b>Effects of:</b>	
Current year effect of tax rate change	19
Income not taxable for tax purposes	(179)
<b>Total tax credit</b>	<u>(160)</u>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction in the corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. Deferred tax balances have been restated to reflect the rates substantively enacted as at the balance sheet date.

On 17 March 2020, a change in tax rates was substantively enacted to maintain the UK Corporation tax rates at 19%, rather than reducing to 17%, as previously enacted. The deferred tax balances do not reflect this change as it was substantively enacted after the balance sheet date.

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## Notes to the financial statements (continued)

### 6 Deferred tax assets

Deferred tax assets are attributable to the following:

	2019 £ 000
Losses and other deductions	<u>160</u>
	<u>160</u>

*Movement in deferred tax during the year attributable to the following:*

	On incorporation £ 000	Recognised in profit and loss account £ 000	30 September 2019 £ 000
Losses and other deductions	<u>-</u>	<u>160</u>	<u>160</u>
	<u>-</u>	<u>160</u>	<u>160</u>

Of the amount recognised in the profit and loss account, all relate to the current period.

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## Notes to the financial statements (continued)

### 7 Investments

	£ 000
On incorporation	-
Acquisition of TSC Power Ltd (refer to (a) below)	-
Acquisition of 99.99% Pivoted Power LLP (formerly Pivot Power LLP) (refer to (b) below)	3,100
Capital contribution to Pivoted Power LLP (refer to (c) below)	7,099
<b>At 30 September 2019</b>	<b>10,199</b>

(a) In May 2019, the Company purchased 100% of TSC Power Ltd via a share-for-share exchange.

(b) In June 2019, the Company purchased the 100% membership interest in Pivoted Power LLP through a series of transactions: the purchase of TSC Power Ltd's 70% membership interest in Pivoted Power LLP and the purchase of the remaining 30% of the membership interest in Pivoted Power LLP from Bagnall Energy Ppower Limited. The Company then sold 0.01% membership interest in Pivoted Power LLP to Pivot Power Limited, its immediate parent undertaking.

(c) Following the decision to waive the shareholder loan between the Company and Pivoted Power LLP, the Company conducted a capital contribution to fund this settlement.

At 30 September 2019, the Company held direct interests as follows:

Investment	Country of registration or incorporation	Class of shares	Percentage of shares held	Nature of business
Pivoted Power LLP	England and Wales	Ordinary	99.99%	Development and construction of battery storage projects
TSC Power Ltd	England and Wales	Ordinary	100%	Dormant company

As at 30 September 2019, the registered address of all the above investments was 66-68 Paul Street, London EC2A 4NA.

Following the acquisition of the Company and its subsidiary undertakings, as set out in the Business Review, the registered address of all the above investments is Alexander House, 1 Mandarin Road, Rainton Bridge, Business Park, Houghton Le Spring, Sunderland, DH4 5RA.

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## Notes to the financial statements (continued)

### 8 Cash flow statement

	2019 £ 000
<b>Cash flows from operating activities</b>	
Profit before taxation	-
<i>Adjustments for:</i>	
Depreciation, amortisation and impairment	-
(Increase)/decrease in debtors	-
(Decrease)/increase in creditors	-
Taxation	-
<b>Net cash flows from operating activities</b>	-

### 9 Share capital

#### *Share capital*

Allocated, called up and fully paid:

	2019 Number	2019 £ 000
Ordinary shares of £0.01 each	31,128	-
	<b>31,128</b>	<b>-</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### *Capital contribution reserve*

In June 2019, the Company received a capital contribution from Pivot Power Limited of £10,199,000.

#### *Profit and loss account*

The profit and loss account represents the cumulative result of the Company, net of dividends paid.



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## Notes to the financial statements (continued)

### 10 Related party transactions

The following related party transactions occurred in the current period:

Related Party	Relationship	Transaction	Amount 2019 £000	Amount outstanding 2019 £000
Matthew Allan, Matthew Boulton, Michael Clark	Directors	Purchase of TSC Power Ltd	-	-
Bagnall Energy Ppower Limited	Group company of 30% shareholder	Purchase of membership in Pivoted Power LLP	3,100	-
Pivot Power Limited	Immediate parent undertaking	Capital contribution	10,199	-
Pivoted Power Limited	99.99% owned subsidiary undertaking	Capital contribution	7,099	-
Pivot Power Limited	Immediate parent undertaking	Sale of 0.01% membership of Pivoted Power LLP	-	-

### 11 Parent undertaking and controlling party

As at 30 September 2019, Pivot Power Limited held a 100% interest in the Company and was considered the immediate parent undertaking and controlling party. The registered address of Pivot Power Limited was 66-68 Paul Street, London, EC2A 4NA. From 7 November 2019 this was changed to Alexander House, 1 Mandarin Road Rainton Bridge, Business Park, Houghton Le Spring, Sunderland, DH4 5RA.

As at 30 September 2019, the ultimate parent undertaking and controlling party was TSC Power 2 Limited. The registered address of TSC Power 2 Limited was 66-68 Paul Street, London, EC2A 4NA. From 7 November 2019 this was changed to Alexander House 1 Mandarin Road, Rainton Bridge, Business Park, Houghton Le Spring, Sunderland, DH4 5RA.

Following the acquisition of the Company as set out in the Business Review, Electricité de France SA, a company incorporated in France, is regarded by the Directors as the Company's ultimate parent undertaking and controlling party. This is the smallest and largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

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## **Notes to the financial statements (continued)**

### **12 Accounting estimates and judgement**

The preparation of financial statements requires the use of accounting estimates and judgments, and requires management to exercise judgment in applying accounting policies. We continually evaluate our judgments and assumptions.

The Company holds on its balance sheet investments in its subsidiary undertakings, which consist of a development company. The carrying value recognised for these assets are included on the judgement that they will be recovered through future activities of the subsidiary. These judgements are based on an assessment of impairment indicators which are reviewed by management.

### **13 Non adjusting post balance sheet events**

Since the balance sheet date there has been a global pandemic from the outbreak of Covid-19. The Directors assess this event to be a non- adjusting post balance sheet event. There has been no significant disruption to the Company's market, customers or supply chain post the year end as a result of Covid-19.