Pivot Power Limited

Annual report and financial statements

Registered number 12032042

31 December 2022

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Company information

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

Strategic report

Business review

The Company is the holding company for two subsidiary undertakings; Pivot Power (Holding) Limited and Pivoted Power LLP. The latter company develops, constructs and operates renewable energy projects via battery technology.

As a holding company, the Company's financial performance is dependent on dividend income and interest receivable on shareholder loans. Income from shares in subsidiary undertakings has increased due to interest receivable of £7,306,000 *(2021: £982,000).*

Principal risks and uncertainties

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

Climate Change

The Company, as a part of EDF Renewables UK group, is committed to accelerating a net zero future where clean energy powers our lives. The Company generates renewable energy products and the principal activities of the Company aim to directly combat the impact of climate change by leading the way in the delivery and operation of renewable technologies. The current UK regulatory and political environments are aligned with the objectives of the Company and the Directors see the commitment to a growth in renewable energy as a significant opportunity for the Company.

Interest rate risk

The Company has exposure to interest rate fluctuations on its borrowings from its immediate parent undertaking, EDF Energy Renewables Holdings Limited. The Company's exposure to interest rate fluctuations on these borrowings is managed by continual reviews of the interest rate exposure and its impact on the forecast profitability of the Company.

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.

Health and Safety

The health and safety of all contractors, agency staff and the public is a key risk given the nature of the Company's business. To minimise this risk, the Company is committed to creating a culture that views safe working as the only way of working and to reviewing all our processes and procedures to ensure it delivers this. Within the subsidiary undertakings, training is provided to managers to ensure they understand their responsibility for the safety of the employees that they set to work. In addition, a confidential helpline has been set up for the use of anyone within the organisation to help eradicate unsafe practices and safeguard our employees.

Strategic report (continued)

Principal risks and uncertainties (continued)

Energy market price volatility

Energy price market volatility is a risk to the profitability of the Company's subsidiary undertakings, which is mitigated by rigorous project assessment and continual review of market dynamics.

Operational issues

Operational issues may occur on the projects in companies which the Company holds an interest in. Technical issues may arise on plant and equipment which may cause significant unavailability of batteries, business interruption and lost revenues. To mitigate this risk, regular reviews are undertaken in order to ensure that maintenance is performed on all operational sites to ensure that they are in good working order and fit for purpose over their expected life spans. In addition, the projects, which the Company has an interest in, have taken out appropriate plant and equipment and business interruption insurance to reduce the potential financial impact of operating risks.

Ukraine conflict

The Directors have considered the impact of the continued invasion of Ukraine by Russia on the Company at 31 December 2022. The main impact has been the increase in wholesale gas and electricity prices which has increased the Company's revenues under the existing PPA. This prices remain significantly above the long term expected averages. The company has not experienced any significant delays or supply chain issues as a result of the conflict.

Business Environment, Performance and Key Performance Indicators

The Company, through its subsidiary undertakings develops, constructs, operates and maintains battery investments.

	Year ended 31 December 2022	Year ended 31 December 2021
Interest receivable on shareholder loan (£ 000)	**7,306**	982

Future outlook

The Company considers that the UK market for renewable energy products will continue to develop for the foreseeable future. Management considers that this will support the Company's financial projections leading to strong profitability and cash flows which will support further proposed investments in additional renewable energy facilities.

Approved by the board on 27 July 2023 and signed on its behalf by:

DocuSigned by:
CEAC4259A2BA443...

Hassaan Majid
Director

Alexander House
1 Mandarin Road
Houghton le Spring
Sunderland
DH4 5RA

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. All of the principal activities of the company are undertaken in the United Kingdom.

Results and dividends
The profit for the year, before taxation, amounted to £361,000 *(2021: loss of £1,229,000)*. The profit for the year, after taxation, amounted to £ 355,000 *(2021: loss of £910,000)*. During the year the Company paid dividends of £Nil *(2021: £Nil)*.

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

Matthieu Hue (appointed 16 May 2022)
Matthew Boulton
Michael Clark
Ben Fawcett
Hassaan Majid
Donald Mackay
Matthew Allen (resigned 31 December 2022)
Pierre-Arthur Lestrade (resigned 16 May 2022)

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

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 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Directors' report

Going concern (continued)
Those forecasts are dependent on the company's immediate parent company, EDF Energy Renewables Limited, providing additional financial support during that period. EDF Energy Renewables Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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 donation
The Company made no political contributions in the year *(2021: £Nil)*.

Disclosure of information to the auditor
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
- each Director has 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.

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 31 December 2023 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 27 July 2023 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
England
DH4 5RA

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The Directors acknowledge their responsibilities for preparing the Annual 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 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 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;
- 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 responsible for 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, and have general responsibility 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 LIMITED

Opinion

We have audited the financial statements of Pivot Power Limited ("the Company") for the year ended 31 December 2022 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 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIVOT POWER LIMITED *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIVOT POWER LIMITED *(continued)*

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 6, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIVOT POWER LIMITED *(continued)*

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.

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

28 July 2023

Profit and loss account and other comprehensive income
for the year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Administrative expenses		**(6)**	1
Operating (loss)/profit	2, 3, 4	**(6)**	1
Interest receivable and similar income	5	**7,306**	982
Interest payable and similar expenses	6	**(6,939)**	(2,212)
Profit/(loss) before tax		**361**	(1,229)
Tax on profit or loss	7	**(6)**	319
Profit/(loss) for the year		**355**	(910)

All results are derived from continuing operations.

The notes on pages 14 to 24 form an intergral part of these financial statements.

Balance sheet
at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Investments	8	**10,199**	10,199
Current assets			
Cash at bank and in hand		**1**	1
Debtors due after one year	9	**99,998**	74,714
Deferred tax asset	13	**617**	589
Creditors: Amounts falling due within one year	10	**(40)**	(919)
Net current (liabilities)/assets		**100,576**	74,385
Total assets less current liabilities		**110,775**	84,584
Creditors: Amounts falling after more than one year	11	**(112,481)**	(86,645)
Net liabilities		**(1,706)**	(2,061)
Capital and reserves			
Called up share capital	14	**-**	-
Profit and loss account	14	**(1,706)**	(2,061)
Shareholders' deficit		**(1,706)**	(2,061)

The notes on pages 14 to 24 form an integral part of these financial statements.

The financial statements of Pivot Power Limited (registered number: 12032042) were approved and authorised by the Board of Directors on 27 July 2023 .... and signed on its behalf by:

DocuSigned by:

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Hassaan Majid

Director

Statement of changes in equity

for the year Ended 31 December 2022

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
Balance as at 1 January 2022	-	**(2,061)**	**(2,061)**
Profit for the year	-	**355**	**355**
Balance as at 31 December 2022	-	**(1,706)**	**(1,706)**

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
Balance as at 1 January 2021	-	(1,151)	(1,151)
Loss for the year	-	(910)	(910)
Balance as at 31 December 2021	-	(2,061)	(2,061)

The notes on pages 14 to 24 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

General information and basis of accounting
Pivot Power Limited (the "Company") 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 12032042 and the address of the registered office is given on page I. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 4 to 5.

The Company is exempt by virtue of section 400 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 101 *Reduced Disclosure Framework ("FRS 101").* In the transition from FRS 102 to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not affected the reported financial position or the financial performance of the Company.

The Company's ultimate parent undertaking, Electricité de France SA, includes the Company in its consolidated financial statements. The consolidated financial statements of Electricite de France SA are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK Adopted IFRSs"), 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.

• Cash Flow Statement and related notes;

• Comparative period reconciliations for share capital and tangible fixed assets;

• Disclosures in respect of transactions with wholly owned subsidiaries;

• The effects of new but not yet effective IFRSs;

• Disclosures in respect of the compensation of key management personnel; and

• Certain disclosures regarding leases.

Notes to the financial statements (continued)

1 Accounting policies (continued)

As the consolidated financial statements of Electricité de France SA include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

• Certain disclosures required by IFRS 7 Financial Instrument Disclosures and IFRS 13 Fair Value Measurement.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.

Measurement Convention
The financial statements are prepared on the historical cost basis. The financial statements are presented in sterling, the functional currency of the entity. Amounts presented are rounded to the nearest £1,000.

Investments
Investments in associates and 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.

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 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's immediate parent company, EDF Energy Renewables Limited, providing additional financial support during that period. EDF Energy Renewables Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

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.

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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

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"(CGU)).

Impairment of non-financial assets excluding deferred tax assets(continued)
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.

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.

Interest rate benchmark reform
The Company has adopted the Phase 2 amendments and retrospectively applied them from 1 January 2021. When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

• The change is necessary as a direct consequence of the reform; and
• The new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e., the basis immediately before the change.

When the changes were made to a financial asset or a financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

Notes to the financial statements (continued)

2 Operating loss

Audit fees of £6,200 *(2021: £5,000)* were borne by EDF Energy Renewables Limited.

3 Directors' remuneration

None of the Directors had a service contract with the Company in the current or prior year, and received no remuneration from the Company during either year. They are all employed by other companies within the EDF group, and remuneration has been borne by those companies. Remuneration in respect of qualifying services for the Company is estimated to be a nominal amount (less than £5,000).

4 Staff numbers and costs

The Company had no employees in 2022 *(2021: Nil)*.

5 Interest receivable and similar income

	2022	2021
	£ 000	£ 000
On loan to associated companies	**7,306**	982

Interest on the loan is charged at 1.8% plus SONIA and is added to the outstanding principal amount of the loan on a quarterly basis. The loan is due for repayment on maturity in 2029.

6 Interest payable and similar expenses

Interest payable and similar charges

	2022	2021
	£ 000	£ 000
On loan to associated companies	**6,939**	2,212

Notes to the financial statements (continued)

7 Income tax

a) Total tax charge recognised in the profit and loss account:

	2022	2021
	£'000	£'000
Current taxation		
UK corporation tax	**34**	244
Total current tax charge	**34**	244
Deferred taxation		
Origination and reversal of timing differences	**46**	(273)
Adjustments in respect of prior periods	**-**	(244)
Effect of changes in tax rates	**(74)**	(46)
Total deferred tax charge	**(28)**	(563)
Total tax charge/ (credit) on profit	**6**	(319)

(b) Reconciliation of effective tax rate:

	2022	2021
	£'000	£'000
Profit before tax	**361**	(1,229)
Tax using the UK corporation tax rate of 19% (2021: 19%)	**68**	(234)
Effects of:		
Current year effect of tax rate change	**(62)**	(85)
Adjustment to tax charge in respect of previous periods - deferred tax	**-**	(244)
Adjustment to tax charge in respect of previous periods	**-**	244
Total tax charge/ (credit)	**6**	(319)

The Finance Act 2021 to increase the corporation tax rate to 25% from 1 April 2023 was substantively enacted on 24 May 2021. Deferred tax assets and liabilities at 31 December 2022 have been calculated based on the expected tax rate that will apply to the period in which the asset is realised or liability is settled.

Notes to the financial statements (continued)

8 Investments

As at the beginning and end of the period the investment held is £10,199,000.
At 31 December 2022, the Company held direct and indirect interests as follows:

Investment	Country of registration or incorporation	Class of shares	Percentage of shares held	Nature of business
Pivot Power (Holding) Limited	England and Wales	Ordinary	100%	Holding company
Pivoted Power LLP (*)	England and Wales	Ordinary	0.01% directly and 99.99% indirectly	Development and construction of battery storage projects
Pivot Power Wire Co. Limited	England and Wales	Ordinary	100%	Dormant company
Pivot Power Battery Co. Limited	England and Wales	Ordinary	100%	Dormant company

(*) Indirect holding

9 Debtors due after more than one year

	2022	2021
	£ 000	£ 000
Amounts owed by subsidaries	**99,998**	74,714
	99,998	74,714

Amounts owed by subsidaries relates to a shareholder loan receivable which attracts interest on a daily basis at a rate of 3 month SONIA plus 200 basis points. The loan is receivable in full on the maturity date in 2029.

Notes to the financial statements (continued)

10 Creditors: Amounts falling due within one year

	2022	2021
	£ 000	£ 000
Trade and other payables	**-**	919
Accruals	**6**	-
Corporation tax payable	**34**	-
	40	919

11 Creditors: amounts falling due after more than one year

	2022	2021
	£ 000	£ 000
Amounts owed to group undertakings (note 12)	**112,481**	86,645
	112,481	86,645

12 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

Terms and debt repayment schedule

	Currency	**Nominal interest rate**	**Year of maturity**	**Carrying amount 2022 £ 000**	Carrying amount 2021 £ 000
Shareholder Loan	GBP	3 month SONIA plus 200 basis points	2029	**112,481**	86,645
				112,481	86,645

13 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	2022	2021
	£ 000	£ 000
Losses and deduction	**617**	589
	617	589

Notes to the financial statements (continued)

13 Deferred tax (continued)

Movement in deferred tax during the year attributable to following:

	At 1 January 2022	Recognised in proft & loss account	31 December 2022
	£000	**£000**	£000
Losses and other deduction	589	28	617
	589	28	617

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

	At 1 January 2021	Recognised in proft & loss account	31 December 2021
	£000	£000	£000
Losses and other deduction	26	563	589
	26	563	589

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

14 Share capital

Share capital
Allocated, called up and fully paid

	2022 Number	2022 £ 000	2021 Number	2021 £ 000
Ordinary shares of £0.01 each	**31,128**	-	31,128	-
	31,128	-	31,128	-

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.

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

15 Related party transactions

The following related party transactions occurred in the year:

Notes to the financial statements (continued)

15 Related party transactions (continued)

Related Party	Relationship	Transaction	Transaction Amount 2022 £000	Amount outstanding 2022 £000	Transaction Amount 2021 £000	Amount outstanding 2021 £000
EDF Energy Renewables Limited	100% shareholder	Loan	24,308	112,481 Creditor	36,073	86,645 Creditor

An exemption has been claimed with respect to reporting the related party transactions of wholly-owned subsidiaries.

16 Parent undertaking and controlling party

EDF Energy Renewables Limited holds a 100% interest in the Company and is considered to be the immediate parent company. The registered address of EDF Energy Renewables Limited is Alexander House, 1 Mandarin Road, Rainton Bridge Business Park, Houghton le Spring, Sunderland, England, DH4 5RA.

Electricité de France SA, a company incorporated in France, is regarded by the Directors as the Company's ultimate parent company and controlling party. This is the 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. The smallest parent undertaking for which consolidated accounts are prepared is EDF Renouvelables S.A. Copies of the company's consolidated financial statements may be obtained from EDF Renouvelables S.A., Coeur Défense -100, Esplanade du Général de Gaulle 92932 Paris La Défense Cedex.

17 Accounting estimates and judgement

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

The Company holds on its balance sheet investments in subsidiary undertakings and debtors owed from subsidiary undertakings in the form of shareholder loans receivable. The carrying value recognised for these investments and debtors 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 periodically reviewed by management.