

Company Registration No. NI639416 (Northern Ireland)

KILMOYLE AD LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

KILMOYLE AD LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Stefania Trivellato James Blair Ali Karkuti |
| Company number | NI639416 |
| Registered office | 9 Kilmoyle Road Ballymoney Northern Ireland BT53 6NR |
| Auditor | MBS Chartered Accountants 3 High Street Larne Co. Antrim BT40 1JN |

KILMOYLE AD LIMITED

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KILMOYLE AD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be the production of energy from waste products.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Stefania Trivellato
James Blair
Ali Karkuti

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor MBS Chartered Accountants, will continue in office.

Statement of directors' responsibilities

The directors are responsible 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 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). 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;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Stefania Trivellato
Director

9 December 2022

KILMOYLE AD LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|------------------|---------------------------|------------------|---------------------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 2,749,979 | | 2,905,279 |
| Current assets | | | | | |
| Debtors | 5 | 275,519 | | 221,982 | |
| Cash at bank and in hand | | 181,770 | | 210,446 | |
| | | <u>457,289</u> | | <u>432,428</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(742,070)</u> | | <u>(885,401)</u> | |
| Net current liabilities | | | <u>(284,781)</u> | | <u>(452,973)</u> |
| Total assets less current liabilities | | | 2,465,198 | | 2,452,306 |
| Creditors: amounts falling due after more than one year | 7 | | <u>(4,760,510)</u> | | <u>(4,388,506)</u> |
| Net liabilities | | | <u><u>(2,295,312)</u></u> | | <u><u>(1,936,200)</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 10 | | 10 |
| Profit and loss reserves | 9 | | <u>(2,295,322)</u> | | <u>(1,936,210)</u> |
| Total equity | | | <u><u>(2,295,312)</u></u> | | <u><u>(1,936,200)</u></u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 9 December 2022 and are signed on its behalf by:

Stefania Trivellato
Director

Company Registration No. NI639416

KILMOYLE AD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Kilmoyle AD Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is 9 Kilmoyle Road, Ballymoney, Northern Ireland, BT53 6NR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Net liabilities at the year-end amounted to £2,295,312 and net current liabilities amounted to £284,781. Income of £1,247,905 was generated during the year. In view of the structure of the company's financing arrangements, which are linked to shareholders loan agreements, the company will make losses in earlier years and profit in later years. The primary concern is the company's ability to meet the demands of the financing arrangement being with the loans which the shareholders of the company have issued. From review of the loan agreement and the repayment schedule, it is highlighted that there is no default on the loan if the security trustee (which is the shareholder) determines that there are insufficient funds to pay the relevant amounts. As a result of this, there is no risk of default, as there is discretion over what needs to be repaid and as such the company can agree with its funders to defer payments until they are in a cash generative position again. The projections of the company forecast a cash positive position. Based on the above, the accounts are continued to be prepared on a going concern basis.

The directors do not expect COVID-19 to have any material impact on the going concern of the company. Accordingly, in view of the above the directors continue to adopt the going concern basis in preparing the directors' report and financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

KILMOYLE AD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------|------------------|
| Leased plant & machinery | 5% straight line |
|--------------------------|------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

KILMOYLE AD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

KILMOYLE AD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022 Number | 2021 Number |
|-------|----------------|----------------|
| Total | - | - |
| | == | == |

The directors received fees of £11,010 (2021: £10,782) for their services.

3 Interest payable and similar expenses

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Interest payable and similar expenses includes the following: | | |
| Interest payable to group undertakings | - | - |
| | == | == |

KILMOYLE AD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Tangible fixed assets

| | Leased plant & machinery |
|------------------------------------|-----------------------------|
| | £ |
| Cost | |
| At 1 April 2021 | 3,275,296 |
| Additions | 13,490 |
| Disposals | (3,914) |
| | <hr/> |
| At 31 March 2022 | 3,284,872 |
| | <hr/> |
| Depreciation and impairment | |
| At 1 April 2021 | 370,017 |
| Depreciation charged in the year | 164,876 |
| | <hr/> |
| At 31 March 2022 | 534,893 |
| | <hr/> |
| Carrying amount | |
| At 31 March 2022 | 2,749,979 |
| | <hr/> |
| At 31 March 2021 | 2,905,279 |
| | <hr/> |

5 Debtors

| | 2022 | 2021 |
|---|---------|---------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Other debtors | 275,519 | 221,982 |
| | <hr/> | <hr/> |

6 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|----------------------------------|---------|---------|
| | £ | £ |
| Obligations under finance leases | 235,000 | 235,000 |
| Other borrowings | 235,000 | 235,000 |
| Trade creditors | 92,222 | 141,953 |
| Taxation and social security | 16,630 | 11,951 |
| Other creditors | 104,371 | 113,201 |
| Accruals and deferred income | 58,847 | 148,296 |
| | <hr/> | <hr/> |
| | 742,070 | 885,401 |
| | <hr/> | <hr/> |

KILMOYLE AD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Creditors: amounts falling due after more than one year

| | Notes | 2022 £ | 2021 £ |
|----------------------------------|-------|------------------|------------------|
| Obligations under finance leases | | 2,330,255 | 2,144,253 |
| Other borrowings | 8 | 100,000 | 100,000 |
| Other creditors | | 2,330,255 | 2,144,253 |
| | | <u>4,760,510</u> | <u>4,388,506</u> |

8 Loans and interest bearing borrowings

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

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Creditors - falling due in less than one year | | |
| Secured loan facility from related parties | 235,000 | 235,000 |
| Creditors - falling due after more than one year | | |
| Secured loan facility from related parties | 2,330,255 | 2,144,253 |

Minimum lease payments under finance leases are as follows:

| | | |
|----------------------------|------------------|------------------|
| Net obligations repayable: | | |
| within one year | 235,000 | 235,000 |
| between one and five years | 975,000 | 975,000 |
| in more than five years | 1,355,255 | 1,169,253 |
| | <u>2,565,255</u> | <u>2,379,253</u> |

The balance of payments outlined above is based upon the timing of payments as outlined within the contractual agreements. Included within secured loan facility from related parties above are amounts repayable after five years of £1,355,255. In relation to the interest-bearing loans discussed above, Foresight Fund Managers Limited, KKV (Cobalt) Limited and Greenmead AD Limited hold a fixed and floating charge over lands adjacent to 9 Kilmoyale Road, Ballymoney

Terms and debt repayment schedule

| Lender | Currency | Nominal interest rate | Year of maturity | Repayment schedule | 2022 £ |
|--------|----------|--------------------------|---------------------|-----------------------|-----------|
|--------|----------|--------------------------|---------------------|-----------------------|-----------|

KILMOYLE AD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Loans and interest bearing borrowings (Continued)

| | | | | | |
|---|-----|-----|------|--------------------------------|------------------|
| Loan from Greenmead AD | GBP | 10% | 2032 | Quarterly capital and interest | 2,565,255 |
| Finance lease from KKV (Cobalt) Limited | GBP | 10% | 2032 | Quarterly capital and interest | 2,565,255 |
| Loan from Greenmead AD | GBP | 10% | 2023 | Capital due at maturity date | 50,000 |
| Loan from KKV (Cobalt) Limited | GBP | 10% | 2023 | Capital due at maturity date | 50,000 |
| | | | | | <u>5,030,510</u> |

9 Profit and loss reserves

| | 2022 £ | 2021 £ |
|------------------------------|--------------------|--------------------|
| At the beginning of the year | (1,936,210) | (1,157,580) |
| Loss for the year | (359,112) | (778,630) |
| At the end of the year | <u>(2,295,322)</u> | <u>(1,936,210)</u> |

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Barry Millar.
The auditor was MBS Chartered Accountants.

KILMOYLE AD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Operating lease commitments

The future minimum lease payments under non-cancellable operating leases, as follows:

| | 2022 | 2021 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Within one year | 10,000 | 10,000 |
| Between two and five years | 40,000 | 40,000 |
| In over five years | 123,425 | 133,425 |
| | <u>173,425</u> | <u>183,425</u> |

The initial rent on the land lease is £10,000 per annum and this is subject to annual inflationary increases based on RPI. These inflationary increases are not reflected in the table above.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.