Registered number: 02928100

INDIAN QUEENS POWER LIMITED

Strategic report, Directors' report and financial statements

For the year ended 31 December 2022

INDIAN QUEENS POWER LIMITED

Company Information

Directors	H Z Bronwin R J Cross A M G Gray M R Hayward O Johannessen S H Storli
Registered number	02928100
Registered office	Saltend Power Station Saltend Chemicals Park Hull East Yorkshire HU12 8GA
Independent auditors	RSM UK Audit LLP, Statutory Auditor Chartered Accountants Two Humber Quays Wellington Street West Hull HU1 2BN
Bankers	Barclays Bank PLC Leicester Leicestershire LE87 2BB
Solicitors	Latham & Watkins LLP 99 Bishopsgate London EC2M 3XF

INDIAN QUEENS POWER LIMITED

Contents

Strategic report
For the year ended 31 December 2022

The Directors present the Strategic report for Indian Queens Power Limited (the "Company") for the year ended 31st December 2022.

This Strategic report has been prepared in accordance with the requirements of Section 414(C) of the Companies Act 2006. Its purpose is to inform shareholders and help them to assess how the Directors have performed their duty to promote the success of the Company.

Principal activities

The Company was formed on 6th May 1994 to design, construct, finance, own and operate a power station in Cornwall. Its principal trading activities are the supply of electricity and ancillary services to the National Grid plc ("NG").

Business review

The Company operates a 140MW gas oil-fired power station and earns revenues primarily through participation in the UK Capacity Market and by providing Short Term Operating Reserve ("STOR") and other ancillary services to NG, who are responsible for balancing the electricity supply/demand across the UK. Under the STOR programme, the Company enters into contracts to provide standby reserve that can respond quickly to assist in managing temporary supply shortages. In return, the Company receives 'availability standby payments' and when called upon 'utilisation operating payments' from NG.

The STOR market continues to provide access to sources of extra power to help manage actual demand on the system being greater than forecast or unforeseen generation unavailability. Supply from renewable sources continues its upward trend through 2022 with nearly 32% of the UKs electricity coming from Solar and Wind and with this reliance on intermittent generation there continues to be an emphasis on the requirement for flexible standby response units, which Indian Queens is ideally placed to capitalise on due to its ability to provide prompt standby reserve. STOR continues to be procured through a daily pay-as-clear auction process, which is a change to the previous method of competitive tender and annual contract award.

During the year, operational performance improved over prior year with Technical Availability recorded at 96.6% (2021: 92.7%). This was due to the asset being less impacted in the year by unplanned activities with the main planned outage taking place in August. Availability was ahead of budget of 94.6% representing excellent technical availability in the year.

During 2022, high levels of volatility in energy market pricing continued the trend which started in Q3 of 2021, initially driven by a surge in demand for gas due to depleted gas storage facilities across Europe as a result of a previous cold winter. During 2022, fears around gas supply were exacerbated following the invasion of Ukraine by Russia, leading to sanctions being placed on Russia which in turn led to supplies of gas being curtailed across Europe by Russia. As a result of global geopolitical tension experienced following the invasion, countries around the world have sought to reduce or indeed end their reliance on Russian oil and gas which when coupled with the effects of storage issues noted above, this has created the ideal situation to drive significant price increases in the market.

Volatility was at its highest point in Q3 of 2022 where power prices reached around £276/MWh which compared with the same period last year was around 119% higher. The average power price per MWh for 2022 as a whole year was £199.18 which was around 77% higher year on year.

Indian Queens Power Limited successfully traded within the energy market during this period of volatility, responding as intended to deliver power in periods of short supply. The asset was operated both in the STOR market and Balancing Mechanism and as a result achieved higher than planned profitability.

The Capacity Market auction which took place in 2022 covered the period 2025/26 as a T-4 Capacity auction in February 2022 for delivery year October 2025 to September 2026; an initiative launched back in 2014 to address the elevated risk of power outages by guaranteeing payments to power generators to provide capacity to "keep the lights on" starting from October 2018. The Company was successful in obtaining a contract for 2025/26 with each contracted MW to receive annual payments of £30.59/kW; which is in addition to contracts secured covering the period 2019 to 2025.

Strategic report (continued)
For the year ended 31 December 2022

Business review (continued)

Within the year Indian Queens Power Limited along with the other members of the Triton Power Group, was acquired as a Joint Venture by SSE Thermal Generation Holdings Ltd and Equinor New Energy Limited. As a result of this acquisition Indian Queens Power Limited repaid in full the debt facility agreement totalling £1,730,234 which was administered by Investec Bank and was initially undertaken in 2018. Under the terms of the new acquisition, a loan of an equal amount was advanced by both the new shareholders, which was subsequently repaid in February 2023.

The future outlook of the business is dependent upon its ability to secure Ancillary Services and Capacity Market contracts to earn revenues, which management seek to maximise by actively monitoring the key performance indicator ("KPI") of plant availability. Management regularly monitors this KPI through both weekly and monthly operational reporting and endeavour to maximise availability by ensuring that both routine and unplanned turbine maintenance is carried out in a timely manner.

In late 2020, the Company entered the competitive tender process for an additional ancillary services contract in South West England. Indian Queens Power Limited was successfully awarded a contract for the provision of these services in Q2 2021. The facility was considered commercially available for this service from Q1 2023.

Key performance indicators (KPI)

The Directors believe the following indicators provide sufficient information as to how the Company is performing.

		2022	2021
Commercial availability	%	**97**	93
Turnover	£'000	**44,175**	9,428
Operating profit for the financial year	£'000	**36,155**	6,339

The Company's KPIs include maximising the technical availability in order to maximise the Company's revenues from its STOR and ancillary service contracts. Technical availability was higher in the financial year just ended owing to lower periods of maintenance outage. The Directors monitor these indicators on a monthly basis and believe they provide sufficient information on how the Company is performing.

Principal risks and uncertainties

The Company's principal financial liabilities, other than derivatives, comprise trade and other creditors, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other debtors, and cash and short-term deposits that derive directly from its operations.

Market risk

Competitive pressure in the UK is a continuing risk for the Company, with the continuing market volatility that could impact future returns. To manage this risk, the Company strives to provide value-added products to its customers and through the maintenance of strong relationships with suppliers.

The Company's business is affected by fluctuations in the price of key raw materials, although where practical, purchasing policies, contracts and the use of derivative financial instruments seek to mitigate such risks. The Company further mitigates these risks by pursuing a vigorous asset management and maintenance programme to protect plant integrity.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in a financial loss to the Company and arises principally from the Company's receivable balances with its customers. The Company manages its credit exposure to counterparties by adopting a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss in the event of a default.

The Company sells two types of products: availability and electricity generation and as a result, has two main customers. The Company generates electricity via the Balancing Mechanism operated by Elexon. Under this regime, all electricity generators and suppliers must sign an agreement to post sufficient funds to cover their trading position, so if any member defaults then all the remaining parties have to pay the shortfall based on their respective market size. The Company also enters into contracts with NG, who have a licence from the UK Government to operate the national grid, and they settle the availability income streams monthly in arrears. This gives rise to a concentration of credit risk; however, the Directors regard that the risk as low as our customers are well-established major national players in the electricity market.

Interest Rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to a loan the Company has undertaken with its parent SCCL Holdings Limited. Following repayment of the original facility in September, the Company is charged interest on the replacement loan at a fixed rate of 6% per annum so the Company is no longer impacted by changes in the external interest rate. The replacement shareholder loan advanced in September 2022 was repaid at the end of February 2023, the Directors are of the opinion that the Company's exposure to interest rate risk is low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, who receive regular updates on the Company's liquidity position and act accordingly to ensure that the Company's liquidity risk is managed. Liquidity risk is managed by maintaining adequate cash reserves by monitoring forecast and actual cash flows and of future cash flow requirements to ensure that the Company has sufficient resources to repay amounts outstanding.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when operating expenses are denominated in a different currency from the Company's functional currency. The Company's exposure to foreign currency changes is deemed not to be material and the Company has no foreign currency hedging instruments at the reporting date.

Strategic report (continued)
For the year ended 31 December 2022

Principal risks and uncertainties (continued)

Operational risk

Operational risk arises principally from the Company's activities as an operator of a power station. There is an operational risk that power station may have a shorter lifespan than its expected lifespan of 30 years or technical issues may arise which may restrict the availability of the power station to generate electricity or earn availability payments in the STOR market, resulting in business interruption and lost revenues.

To mitigate this risk, the management of Indian Queens Power Limited pursue a robust asset management process and regular maintenance reviews are undertaken to ensure that maintenance is performed in a timely manner so as to ensure that the power station is in good working order and available for operation. The Company has entered into a maintenance service contract with an experienced operator who is responsible for the on-going performance monitoring, servicing and maintenance of the gas turbine. In addition, the management have taken out appropriate plant, equipment, and business interruption insurance to reduce the potential financial impact of such operating risks. At the reporting date, they were no material issues affecting operations, so the Company's operational risk is deemed to be low.

Health and safety

The operation and maintenance of the power station may, if not appropriately assessed and managed, pose health and safety risks to those involved. The undertaking of routine maintenance may result in bodily injury or industrial accidents, particularly if not appropriately managed. To mitigate this risk, the Company has implemented a series of Health and Safety processes and procedures. Health and Safety is a permanent agenda item on the monthly operations meeting to ensure compliance with legislation and with Company processes and procedures and that regular feedback is provided to management and the Board of Directors on all outstanding issues in a timely manner so that appropriate action is taken.

Financial risk management

The Company's principal activity does not expose it to significant financial risks other than those discussed above.

Environment

The Company recognises the importance of its environmental responsibilities and therefore the Company actively monitors its impact on the environment. The Company has designed and implemented policies which strive to mitigate any adverse impacts that might be caused to the environment by its activities. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Future developments

The future objective of the business is to maximise the returns generated from the assets.

In Early 2021, the Company was awarded a contract for additional ancillary services in South West England. The facility for the provision of these services at Indian Queens Power Limited was considered commercially available from Q1 2023.

This report was approved by the board on 10 May 2023 and signed on its behalf by:

Ann Gray

A M G Gray
Director

Directors' report
For the year ended 31 December 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £49,736,000 (2021 - £6,077,000).

The Company's financial position at the end of the financial year shows that the Company had net assets of £52,943,000 (2021: £7,608,000).

The Directors recommended a dividend payment for the year ended 31st December 2022 of £4,401,000 (2021: £1,224,000).

Directors

The Directors who served during the year were:

M E Farr (resigned 1 September 2022)
R Holland (resigned 1 September 2022)
S J Keen (resigned 1 September 2022)
H Z Bronwin (appointed 1 September 2022)
R J Cross (appointed 1 September 2022)
A M G Gray (appointed 1 September 2022)
M R Hayward (appointed 1 September 2022)
O Johannessen (appointed 1 September 2022)
S H Storli (appointed 1 September 2022)

Directors' report (continued)
For the year ended 31 December 2022

Going concern

The Company's business activities, together with the factors likely to affect its future development, financial performance, and position are set out in the Strategic report. The Strategic report also considers the principal risks and uncertainties facing the Company and the policies and processes for managing these risks.

The Company made a profit in the financial year of £49,736,000 (2021: £6,077,000). The forecasts and projections, taking into account reasonable possible changes in trading performance, show that the Company should be able to operate within the level of its current financial resources.

The Directors have considered the application of the going concern basis of accounting. In making this assessment, the Directors has considered these factors and are confident the Company is well placed to manage its business risks satisfactorily. On the basis of their assessment of these forecasts and of the Company's financial position, the Company's Directors have, at the time of approving the financial statements, a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of the financial statements, and meet their obligations as they fall due. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors' and officers' liability insurance

During the year ended 31st December 2022, the Company's ultimate parent company, Triton Power Holdings Limited, maintained insurance for the Directors to indemnify them against certain liabilities which they may incur in their capacity as Directors or officers of The Company, including liabilities in respect of which the Company is itself unable to provide an indemnity by virtue of Section 232 of the Companies Act 2006.

Financial risk management

The Company finances its activities with a combination of cash, short-term deposits, and a loan from its parent Company. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. The Company also enters into derivative transactions, more specifically oil swap derivative contracts; the purpose of which are to manage the oil price risks arising from the Company's operations. The Company's financial instruments, therefore, give rise primarily to liquidity risk. Information on how these risks arise along with the objectives, policies, and processes for their management are set out in the Strategic report on pages 1 - 4.

Matters covered in the Strategic report

In accordance with s414(C) (11) of the Companies Act, included in the Strategic report is information relating to the events occurring in the period and future developments which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulation 2008' to be contained in a Director's report.

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors' report (continued)
For the year ended 31 December 2022

Auditors

The auditors, RSM UK Audit LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 10 May 2023 and signed on its behalf by:

Ann Gray

A M G Gray
Director

Independent auditors' report to the members of INDIAN QUEENS POWER LIMITED

Opinion

We have audited the financial statements of Indian Queens Power Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the members of INDIAN QUEENS POWER LIMITED (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety regulations and environmental regulations. We performed audit procedures to inquire of management and those charged with governance whether the Company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- on a sample basis, testing manual journal entries and other adjustments and evaluating their business rationale;
- reviewing key control account reconciliations; and

Independent auditors' report to the members of INDIAN QUEENS POWER LIMITED (continued)

- for the adjustments made in relation to significant transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied and reviewing underlying contractual documents.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

RSM UK Audit LLP

Peter Adams FCA (Senior Statutory Auditor)

for and on behalf of
RSM UK Audit LLP, Statutory Auditor

Two Humber Quays
Wellington Street West
Hull
HU1 2BN

10 May 2023

Statement of comprehensive income
For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	4	**44,175**	9,428
Cost of sales		**(3,631)**	(1,088)
Gross profit		**40,544**	8,340
Administrative expenses		**(4,389)**	(2,001)
Operating profit	5	**36,155**	6,339
Interest payable and similar expenses	8	**(238)**	(370)
Other finance income	7	**26,282**	2,240
Profit before tax		**62,199**	8,209
Tax on profit	9	**(12,463)**	(2,132)
Profit for the financial year		**49,736**	6,077
Other comprehensive income		**-**	-
Total comprehensive income for the year		**49,736**	6,077

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of comprehensive income.

The notes on pages 15 to 34 form part of these financial statements.

INDIAN QUEENS POWER LIMITED
Registered number: 02928100

Balance sheet
As at 31 December 2022

	Note		2022 £000		2021 £000
Fixed assets					
Tangible assets	11		**18,266**		11,320
			18,266		11,320
Current assets					
Stocks	12	**3,680**		1,022	
Debtors: amounts falling due within one year	13	**46,124**		6,236	
Cash at bank and in hand		**8,362**		4,249	
		58,166		11,507	
Creditors: amounts falling due within one year	14	**(14,958)**		(6,120)	
Net current assets			**43,208**		5,387
Total assets less current liabilities			**61,474**		16,707
Creditors: amounts falling due after more than one year	15		**-**		(5,561)
Provisions for liabilities					
Deferred tax	17	**(7,719)**		(2,681)	
Other provisions	18	**(812)**		(857)	
			(8,531)		(3,538)
Net assets			**52,943**		7,608
Capital and reserves					
Called up share capital	19		**100**		100
Capital redemption reserve			**4,100**		4,100
Profit and loss account			**48,743**		3,408
Total shareholders' funds			**52,943**		7,608

The financial statements were approved and authorised for issue by the board on 10 May 2023 and were signed on its behalf by:

Ann Gray

Rob Cross

A M G Gray
Director

R J Cross
Director

The notes on pages 15 to 34 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2022

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	100	4,100	(1,445)	2,755
Changes in equity				
Total comprehensive income	-	-	6,077	6,077
Dividends	-	-	(1,224)	(1,224)
At 1 January 2022	100	4,100	3,408	7,608
Changes in equity				
Total comprehensive income	-	-	49,736	49,736
Dividends	-	-	(4,401)	(4,401)
At 31 December 2022	100	4,100	48,743	52,943

The Profit and loss account represents cumulative profits and losses arising from ordinary activities. There are no unrealised profit and losses included in the retained earnings reserves.

The capital redemption reserve represents the cancellation of 4,100,002 shares of nominal value £1.

The notes on pages 15 to 34 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2022

1. Authorisation of financial statements & statement of compliance

Indian Queens Power Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is Saltend Power Station, Saltend Chemicals Park, Hedon Road, Hull, HU12 8GA. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 1 - 4.

The Company is a wholly owned subsidiary of SCCL Holdings Limited and of its ultimate parent, Triton Power Holdings Limited. It is included in the consolidated financial statements of SCCL Holdings Limited, which is publicly available, and Triton Power Holdings Limited.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, financial performance, and position are set out in the Strategic report. The Strategic report also considers the principal risks and uncertainties facing the Company and the policies and processes for managing these risks.

The Company made a profit in the financial year of £49,736,000 (2021: £6,077,000). The forecasts and projections, taking into account reasonable possible changes in trading performance, show that the Company should be able to operate within the level of its current financial resources.

The Directors have considered the application of the going concern basis of accounting. In making this assessment, the Directors has considered these factors and are confident the Company is well placed to manage its business risks satisfactorily. On the basis of their assessment of these forecasts and of the Company's financial position, the Company's Directors have, at the time of approving the financial statements, a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of the financial statements, and meet their obligations as they fall due. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Turnover

Turnover represents the amounts derived within the UK from the supply of electricity, net of exchange fees, ancillary services and participation in the UK Capacity Mechanism. This is considered by the Directors to represent a single class of business. The Company has concluded that it is the principal in its revenue arrangements, because it controls the goods or services before transferring them to the customer. Turnover is recognised as the electricity is generated and it is at this point control is passed to the electricity consumer.

The Company is in the business of generating power and supplying this to the national grid. Turnover from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration, net of VAT, to which the Company expects to be entitled in exchange for those goods or services. Turnover from supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

The Company's turnover is comprised as follows:

- Sale of electricity and ancillary services as specified under contracts with National Grid PLC
- Other income where the Company has a legal right to insurance proceeds from insurers in respect of insurance claims for financial losses arising from business interruption such as liquidated damages. Damages are recognised in 'Other Income' when receipt of payment is virtually certain.

2.5 Value added tax

Turnover, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Debtors and creditors that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of debtors or creditors in the Balance sheet.

2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Leases where the Company is the lessee, and the lessor maintains a significant portion of the risks and rewards related to ownership of the fixed asset are recorded as operating leases. Fixed lease payments are recognised as an expense in the Statement of comprehensive income on a straight-line basis over the life of the lease. Where lease payments are contingent, fore example on power output, the rent is recognised as an expense in the Statement of comprehensive income on an amortised cost basis when the contingency is resolved, for example when the level of power output in the period is known.

2.7 Interest expense

Interest expense is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs related to assets under construction are capitalised where, in the opinion of the Directors, the related project is highly likely to be successfully developed and the economic benefits arising from future operations will exceed the amount of capitalised expenditure incurred to date and the cost can be measured reliably. Costs incurred prior to meeting the criteria for capitalisation are recorded as an expense within operating costs in the Statement of comprehensive income.

Depreciation is provided on all tangible fixed assets, other than land and assets in the course of construction, which are depreciated from the date that they are commissioned, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight-line basis over its useful life. In accordance with the components approach, each significant component of an item of property, plant and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

The estimated useful lives range as follows:

Plant and machinery	- 3 to 30 years
Decommissioning Asset	- Over the lease term

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Impairment of tangible fixed assets

In accordance with FRS 102 section 27, plant and machinery are reviewed for impairment at least once a year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such indications may be based on events or changes in the market environment, or on internal sources of information.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value. Stock represents spare parts held to cover routine maintenance activities across the life of the plant. Costs incurred in bringing stock to its present location and condition are accounted for at the weighted average purchase cost.

2. Accounting policies (continued)

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Loans and associated costs

All loans are initially recognised at the fair value of the consideration received net of issue costs associated with the loan. Loans are subsequently stated at amortised costs; whereby the carrying amount of the loan is increased by the finance cost incurred in respect of the accounting period and reduced by any cash payments made in the period.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar expenses.

Loan costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use, whereas other loan costs are expensed.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the Balance sheet date.

2. Accounting policies (continued)

2.17 Financial instruments

The Company applies 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 assets and financial liabilities are recognised in the Company's Balance sheet when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of comprehensive income.

Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated in a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivative.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of comprehensive income. The net gain or loss

2. Accounting policies (continued)

recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the Statement of comprehensive income.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each Balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or

it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of debtors could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on debtors.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of comprehensive income.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of comprehensive income.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

2. Accounting policies (continued)

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement of recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of comprehensive income. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of comprehensive income.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance sheet date. The resulting gain or loss is recognised in the Statement of comprehensive income immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a current asset due after one year or a creditor due after more than one year if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2. Accounting policies (continued)

2.18 Provisions for liabilities

A provision is recognised in the Balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and the amount of that obligation has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Where contractually obliged, the Company creates provisions for the decommissioning of the power station and environmental restoration. The decommissioning and restoration provisions reflect the present value, at the Balance sheet date, of the estimated cost. The provisions are reviewed at each Balance sheet date and are adjusted to reflect the present value of the expense expected to be realised for the settlement of the liability.

The future cost is recognised in the Balance sheet as a decommissioning asset by creating an increase in the tangible fixed assets. The depreciation expenses of capitalised decommissioning and restoration costs are included in the Statement of comprehensive income together with the depreciation charge on the power station's fixed assets. Any change in estimation in the estimated cost or the discount rate are added or deducted from the fixed asset's cost. The discounting effect on the provision is recorded in the Statement of comprehensive income within interest payable and similar expenses.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance sheet date and the amounts reported for revenue and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

Critical judgements in applying the Company's accounting policies

There are no critical judgments, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have a significant effect on the amount recognised in the financial statements.

Key sources of estimation uncertainty

Decommissioning Provision

The Company has recognised a provision for decommissioning obligations associated with the expected cost of removing the power station and making good the damage to the site where a contractual decommissioning and restoration obligation exists. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at the 31st December 2022 was £812,000 (2021: £857,000) as outlined in note 18.

Impairment of tangible fixed assets

Management has made key assumptions regarding the future technical availability of the power station, electricity prices, ancillary services contracts and the UK inflationary environment which directly impact the future economic benefits to be derived from the tangible fixed assets. The Company reviews these estimates at each financial period end and also tests for impairment at least once a year or when a trigger event occurs if sooner.

Impairment exists when the carrying value of an assets or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. At the Balance sheet date, management expects the future economic benefits that will result from the use of the tangible fixed assets will exceed the costs of the investments and thus the costs of the tangible fixed assets/are recoverable.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgement is required in establishing fair values. The judgements about these factors could affect the reported fair value of financial instruments.

Notes to the financial statements
For the year ended 31 December 2022

4. Turnover

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

	2022	2021
	£000	£000
Electricity/Ancillary service	**6,742**	6,767
Capacity market	**1,120**	2,661
Power Trades	**36,313**	-
	44,175	9,428

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£000	£000
Depreciation - owned assets	**874**	841
Other operating lease rentals	**46**	25
Auditors' remuneration	**33**	27

6. Employees

Staff costs were as follows:

	2022 £000	2021 £000
Wages and salaries	**464**	465
Social security costs	**69**	60
Cost of defined contribution scheme	**51**	55
	584	580

The average monthly number of employees, including the Directors, during the year was as follows:

	2022 No.	2021 *No.*
Management	**1**	1
Operations	**9**	6
	10	7

The Directors did not receive any fees or emoluments from the Company during the year (2021: £Nil) directly attributable to their position within the Company. There exist no qualifying services from Directors attributable to the Company and the Director fees are paid by other entities in their management of the Group as a whole (of which nil apply to this entity).

7. Other gains and losses

	2022 £000	2021 £000
Change in fair value of derivative assets outstanding at year end	**(26,282)**	2,240
	(26,282)	2,240

No other gains or losses have been recognised in respect of loans and receivables or held-to-maturity investments. No gains or losses have been recognised on financial liabilities measured at amortised cost.

Notes to the financial statements
For the year ended 31 December 2022

8. Interest payable and similar expenses

	2022 £000	2021 £000
Unwinding of discount on provisions	27	27
Other interest payable	1	-
Interest payable to group undertakings	210	343
	238	370

9. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	6,809	16
Adjustments in respect of previous periods	616	238
Total current tax	7,425	254
Deferred tax		
Origination and reversal of timing differences	6,260	1,625
Changes to tax rates	-	253
Adjustments in respect of previous periods	(1,222)	-
Total deferred tax	5,038	1,878
Taxation on profit on ordinary activities	12,463	2,132

Notes to the financial statements
For the year ended 31 December 2022

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	**62,199**	8,209
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**11,818**	1,560
Effects of:		
Tax effect of non-deductible/non-taxable items	**(28)**	(207)
Adjustments to tax charge in respect of prior periods	**616**	238
Adjustments in respect of previous years - deferred tax	**(1,222)**	-
Change in deferred tax rate	**1,279**	541
Total tax charge for the year	**12,463**	2,132

Factors that may affect future tax charges

On 14 October 2022, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%

The expected reversal of deferred tax liabilities in the next financial year is £5,569,000 (2021: £102,000). This is due to the reversal of accelerated capital allowances and derivative movements.

10. Dividends

	2022 £000	2021 £000
Ordinary shares of £1 each	**4,401**	1,224

Notes to the financial statements
For the year ended 31 December 2022

11. Tangible fixed assets

	Plant and machinery £000	Decommissioning Assets £000	Total £000
Cost or valuation			
At 1 January 2022	**47,171**	**283**	**47,454**
Additions	**8,077**	**-**	**8,077**
Disposals	**(185)**	**(72)**	**(257)**
At 31 December 2022	**55,063**	**211**	**55,274**
Depreciation			
At 1 January 2022	**35,964**	**170**	**36,134**
Charge for the year on owned assets	**867**	**7**	**874**
At 31 December 2022	**36,831**	**177**	**37,008**
Net book value			
At 31 December 2022	**18,232**	**34**	**18,266**
At 31 December 2021	11,207	113	11,320

12. Stocks

	2022 £000	2021 £000
Spare parts	**678**	533
Fuel	**3,002**	489
	3,680	1,022

There is an impairment of £147,000 (2021: £66,000) recognised against the stock value in relation to obsolescence.

13. Debtors

	2022 £000	2021 £000
Trade debtors	**1,139**	42
Other debtors	**207**	109
Prepayments and accrued income	**16,256**	3,186
Tax recoverable	-	659
Financial instruments	**28,522**	2,240
	46,124	6,236

14. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	**168**	342
Amounts owed to group undertakings	**1,882**	1,027
Corporation tax	**365**	-
Other taxation and social security	**324**	13
Other creditors	**1**	-
Accruals and deferred income	**12,218**	4,738
	14,958	6,120

Amounts owed to group undertakings primarily relates to a loan balance due to SCCL Holdings Limited Up to September 2022, the loan balance accrued interest at LIBOR plus margin of 4.25%, the loan was secured via a fixed and floating charge over the assets of the Company. This loan was repaid at the parent Company level and was replaced by a loan from the new joint owners of the company at a fixed interest rate of 6%, this was repaid in February 2023. The remainder of the balance is intercompany creditors which are unsecured, non-interest bearing and repayable on demand.

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

	2022 £000	2021 £000
Amounts owed to group undertakings	-	5,561
	-	5,561

Amounts owed to group undertakings related to a loan balance due to SCCL Holdings Limited which accrued interest at a rate of LIBOR + 4.25% margin. The loan was secured via a fixed and floating charge over the assets of Company. The loan has now been repaid, and replaced by a new loan with a fixed interest rate of 6%, this was repaid in February 2023.

16. Financial Instruments

Fair values

Set out below is an analysis by category of the Company's financial instruments that are carried at fair value in the financial statements. Note that in all cases the fair value is equal to the carrying value of those assets and liabilities.

	2022	2021
	£'000	£'000
Financial assets at fair value		
Fair value through profit and loss (FVTPL)	**28,522**	2,240

Changes in value of financial instruments at fair value

Profit for the year has been arrived after charging/(crediting):

	2022	2021
	£'000	£'000
Financial assets at fair value		
Fair value through profit and loss (FVTPL)	**(26,282)**	2,240

Valuation techniques and assumptions applied for the purposes of measuring fair value

After the acquisition of Saltend Cogeneration Company Limited by Triton Power Limited, a trading services agreement was entered into with ENGIE S.A. Under this agreement ENGIE S.A continue to provide financial valuations of derivative instruments used by the Company in carrying out its principal activity of trading electricity.

The fair values of derivative instruments are calculated using prices derived from observable macroeconomic data and are provided by the ENGIE group. The consolidated financial statements of ENGIE S.A. may be obtained from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France.

The following provides an analysis of the Company's financial instruments measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Derivative financial instruments measured at fair value are valued at Level 1.

Hedging activities

Economic hedges

The Company enters into wholesale purchase commitments to cover future contracted supplies, subject to market liquidity, availability of products and compliance with risk policies and limits set down by management.

The Company had entered into wholesale purchase commitments for future delivery under certain supply contracts where the contract permits the customer to sell back the purchases made prior to delivery. The purchase commitments related to such supply contracts have been fair valued through the profit and loss. The supply contracts with such customers are designated as derivatives and these supply contracts are also fair valued through the profit and loss.

Notes to the financial statements
For the year ended 31 December 2022

16. Financial Instruments (continued)

The valuation techniques and assumptions applied for the purpose of measuring the fair value of derivative instruments are calculated using prices derived from observable macroeconomic data and are provided by ENGIE group, under the trading services agreement. Purchase commitments under all other supply contracts not containing a sell back facility are not fair valued but are measured using regular trade date accounting as these are classified as held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

The Company's management of these risks are disclosed in the Strategic report.

17. Deferred taxation

	2022 £000
At beginning of year	**(2,681)**
Charged to profit or loss	**(5,038)**
At end of year	**(7,719)**

The provision for deferred taxation is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	**(1,016)**	(2,255)
Arising on derivatives	**(6,703)**	(426)
	(7,719)	(2,681)

18. Provisions

	Decommissioning Provision £000
At 1 January 2022	**857**
Unwind of discount	**27**
Other movements	**(72)**
At 31 December 2022	**812**

A provision has been made for the net present value of the estimated cost of dismantling and decommissioning the power plant based on a gross cost of £1,467,000 (2021: £1,037,000) at current prices. These costs have been inflated by expected future inflation rates to 2026, reflecting the date of completion of the current contracts to run and then discounted back at 4.02% (2021: 3.20%) to derive a net present value.

Notes to the financial statements
For the year ended 31 December 2022

19. Share capital

	2022 £000	2021 £000
Authorised, allotted, called up and fully paid		
100,000 (2021: 100,000) Ordinary shares shares of £1.00 each	**100**	100

The shares have attached to them equal voting, dividend and capital distribution (including on winding up) rights.

20. Pension commitments

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company. Employer's contributions to the scheme during the year were £51,000 (2021: £55,000). At 31st December 2022, no contributions were outstanding (2021: £Nil).

21. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Not later than 1 year	**23**	25
Later than 1 year and not later than 5 years	**92**	100
Later than 5 years	**343**	25
	458	150

The Company leases the land on which the power station is erected under non-cancellable operating lease arrangements which are charged based on a fixed contractual amount.

22. Related party transactions

As at 31st December 2022, the Company was a wholly owned subsidiary of SCCL Holdings Limited which is wholly owned by Triton Power Holdings Limited.

During the year, transactions between wholly owned members of the Group have taken place in the normal course of business. The Company has taken advantage of exemption under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

Notes to the financial statements
For the year ended 31 December 2022

23. Controlling party

The Company's immediate parent undertaking is SCCL Holdings Limited, a Company whose registered office is the same as Indian Queens Power Limited. The smallest group in which the results of the Company were consolidated for the year ended 31st December 2022 was that headed by SCCL Holdings Limited.

The immediate parent Company of SCCL Holdings Limited is Triton Power Limited. Triton Power Limited is registered in the Channel Islands with a registered address at 22 Grenville Street, St Helier, Jersey, JE4 8PX. The entity which heads up the largest group in which the results are consolidated is Triton Power Holdings Limited, which is a Company registered in the Channel Islands, the registered address of which 22 Grenville Street, St Helier, Jersey, JE4 8PX. The Directors therefore consider the ultimate controlling party to be Triton Power Holdings Limited.