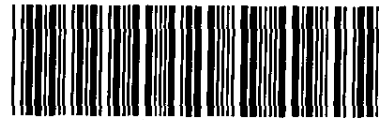


Third Energy Onshore Limited

Information for filing with the registrar

for the year ended 31 December 2021

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COMPANIES HOUSE

Company Registration No. 4946049

Third Energy Onshore Limited

Statement of Financial Position

Company Registration No. 4946049

31 December 2021

	Notes	2021 £'000	2020 £'000
Fixed Assets			
Investments	4	-	-
Current Assets			
Debtors	5	11	821
Cash at bank and in hand		1,804	5,076
		<u>1,815</u>	<u>5,897</u>
Creditors. Amounts falling due within one year	6	<u>(1,381)</u>	<u>(1,925)</u>
Net Current Assets		<u>434</u>	<u>3,972</u>
Net Assets		<u>434</u>	<u>3,972</u>
Capital and reserves			
Called up share capital	7	20,640	20,640
Capital contribution reserve	8	82,393	82,393
Profit and loss account	8	(102,599)	(99,061)
Shareholders' funds		<u>434</u>	<u>3,972</u>

The notes on pages 2 to 6 form part of these financial statements.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies regime.

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

Date: December 21, 2022

Russell Hoare

Russell Hoare [Dec 21, 2022 11:06 GMT]

Russell Hoare
Director

Third Energy Onshore Limited

Notes to the unaudited financial statements for the year ended 31 December 2021

1 General information

Third Energy Onshore Limited is a private company incorporated, domiciled and registered in England and Wales limited by shares. The registered number is 4946049 and the registered address is Knapton Generating Station, East Knapton, Malton, North Yorkshire, YO17 8JF.

The principal activity of the Company is a holding company, with subsidiaries transitioning from the appraisal and development of onshore gas assets to the generation and storage of renewable energy assets, in addition to the provision of energy efficiency services and products.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been drawn up to 1 January 2022 and have been prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

Measurement convention

The financial statements are prepared on the historical cost basis.

2.2 Significant judgements and estimates

The directors are required to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include:

The directors' judgement is that it is doubtful that the onshore development will generate sufficient cash to enable the balances owed by fellow group companies to be repaid.

2.3 Going concern

The financial statements have been prepared on the going concern basis.

At 31 December 2021, the Company had net assets of £434,000 (2020: £3,972,000), which includes sufficient cash resources for the Company to be able to meet its obligations as they fall due (£1,804,000). Furthermore, as at the date of signing the balance sheet group cash balances were around £3.6m.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. Based on the forecasts prepared the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Third Energy Onshore Limited

Notes to the unaudited financial statements for the year ended 31 December 2021

2 Accounting policies (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.4 Basic financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2.5 Taxation

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met are not provided for. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Third Energy Onshore Limited

Notes to the unaudited financial statements for the year ended 31 December 2021

2 Accounting policies (continued)

2.6 Investments

Investments are held at cost less any provision for impairment.

Impairment

An impairment test is performed whenever facts and circumstances suggest that the carrying value of an investment or group of investments may be greater than the returns expected to be generated from that asset or group of assets.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing its value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash generating unit").

2.7 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.

2.8 Cash

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.

2.9 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.

3 Staff costs

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

Management and administration
Technical and operations

2021	2020
No	No
1	1
1	1
<u>2</u>	<u>2</u>

Third Energy Onshore Limited

Notes to the unaudited financial statements

for the year ended 31 December 2021 (made up to 1 January 2022)

4 Investments

	Investments in group undertakings	
	2021	2020
	£'000	£'000
Cost of investment	19,139	19,139
Impairment	19,139	19,139
Net book value	-	-

As at 31 December 2021 the Company had the following subsidiary undertaking, directly owned 100%:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activity</u>
Third Energy UK Gas Limited	England & Wales	Renewable energy

The registered office of this company is Knapton Generating Station, East Knapton, Malton, North Yorkshire YO17 8JF.

On 13 May 2021, the Company disposed of its investment in its subsidiary Third Energy Trading Limited.

5 Debtors

	2021	2020
	£'000	£'000
Short term loan to group undertaking		253
Amounts owed by group undertakings	3	558
Prepayments and accrued income	6	7
Other debtors	2	3
	11	821

Included in short term loan to group undertakings is Eni (2020: £253,000). Interest is charged on the loan at a rate of 6% plus LIBOR. This loan was forgiven on the acquisition of the Company by Wolfland Group Limited on 1 January 2022.

Included in amounts owed by group undertakings is £3,000 (2020: £558,000) which is unsecured, interest-free, repayable on demand with no fixed repayments date.

6 Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	17	22
Amounts owed to group undertakings	1,331	1,883
Taxation and social security costs	10	10
Accruals and deferred income	23	10
	1,381	1,925

Amounts owed to group undertakings are repayable on demand. There is no interest charged on these amounts.

Third Energy Onshore Limited

Notes to the unaudited financial statements

for the year ended 31 December 2021 (made up to 1 January 2022)

7 Called up share capital	2021	2020
Ordinary shares of £1 each	No	No
Authorised	20,640,105	20,640,105
	£'000	£'000
Allotted, issued and fully paid	20,640	20,640

8 Reserves

Capital contribution

This reserve represents the cumulative value of non-returnable funds provided by shareholders.

Capital reserve

On 9 July 2020, the Company was sold to York Energy (UK) Holdings Limited. As part of that transaction, all amounts owed to or by Third Energy Holdings Limited by the company's subsidiaries were assigned to the Company and the overall indebtedness of £81,678,000 was then forgiven.

Profit & loss account

This reserve represents cumulative profits and losses less dividends paid.

9 Related party transactions

During the year the Company paid £836,702 for consulting services provided by an entities under common control.

The Company accrued interest of £14,854 on a loan to an entity under common control. The loan balance of £245,720 was forgiven on the acquisition of the Company by Wolfland Group Limited on 1 January 2022.

The Company also made a further loan of £3,037,755 to an entity under common control and interest of £140,548 was accrued on this loan. Repayment of £1,800,000 was received and after foreign currency revaluation on 31 December 2021, the loan balance of £1,460,608 was forgiven on the acquisition of the Company by Wolfland Group Limited on 1 January 2022.

The Company has taken advantage of the exemption under FRS 102.33.1A not to disclose transactions between itself and other wholly owned Group companies.

10 Ultimate parent company

As at the balance sheet date, the immediate and ultimate parent is Wolfland Group Limited, a company domiciled and registered in the Isle of Man

11 Post balance sheet events

The commencement of ongoing hostilities in Ukraine by Russia, and the subsequent rise in energy prices and the cost of living, have had an effect on the operational costs of the business, however these have not affected the business unduly as the directors continue to control the cost base of the business closely.