



EPR Renewable Energy Limited

Report and financial statements

for the year ended 30 June 2019

Registered number: 05377478

WEDNESDAY



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COMPANIES HOUSE

Directors and advisers

Directors

P S Latham
M G Setchell
E J Wilkinson

Secretary

Octopus Company Secretarial Services Limited

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Registered office

6th Floor
33 Holborn
London
EC1N 2HT

Strategic report for the year ended 30 June 2019

The directors present their strategic report for the company for the year ended 30 June 2019.

Business review

The company's results for the year and financial position at the year end were satisfactory.

Results

The company's profit for the financial year was £605,000 (2018: £452,000).

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with those of the group and are not managed separately. The group has an agreed formal risk management policy and framework that covers identification, mitigation, control, monitoring and review of risks on a regular basis. Further discussion of group wide risks is provided within the directors' report of Melton Renewable Energy UK Limited, which does not form part of this report.

Key performance indicators

The directors of Melton Renewable Energy UK Limited manage the group's operations on a group wide basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Melton Renewable Energy Newco Limited. The development, performance and position of Melton Renewable Energy UK Limited, which includes this wholly owned UK subsidiary, is discussed in the group's annual report which does not form part of this report.

On behalf of the board



E J Wilkinson

Director

11/12/2019

Director's report for the year ended 30 June 2019

The directors present their report and the financial statements for EPR Renewable Energy Limited (the "company") for the year ended 30 June 2019.

Principal activities

The company's sole activity is to hold shares in Energy Power Resources Limited ("EPRL"). EPRL and its subsidiaries collectively represent the "Biomass division" of the Melton Renewable Energy UK Limited group.

The primary activity of the Biomass division is the operation of five electricity power stations (in total approximately 111MW's capacity) and the marketing and sale of potash and phosphate fertiliser, branded as Fibrophos. In addition, EPRL holds a 50% share in Yorkshire Windpower Limited which owns two wind farms at Ovenden Moor and Royd Moor, Yorkshire with 24.5MW's capacity in total.

Future developments

The directors anticipate that the company will continue to achieve satisfactory results in future periods.

Dividends

Ordinary dividends of £nil were paid during the year (2018: £nil) and as a result a profit of £605,000 (2018: £452,000) was transferred to reserves.

Directors

The directors of the company, who held office during the year and up to the date of signing the financial statements, are given below:

P S Latham
M G Setchell
E J Wilkinson

Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 was in force throughout the financial year and at the date of approval of the financial statements, for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of approval of the financial statements.

Going concern

After considering the projections prepared for the period to 31 October 2020, the directors believe the company has sufficient funds to meet its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis. The directors have received confirmation from Melton Renewable Energy UK Limited, of its intention to financially support the company such that the company can meet those obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

Director's report for the year ended 30 June 2019

Financial risk management

The company's operations expose it to limited financial risk that is solely liquidity risk.

Given the size of the company, the directors have not delegated responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Liquidity risk

The group maintains cash balances and has access to short-term finance so as to ensure the group has sufficient available funds for operations.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Director's report for the year ended 30 June 2019

Audit exemption

The members have not required the company to obtain an audit of its financial statements for the year in accordance with section 476 of the Companies Act 2006. Accordingly no auditors have been appointed. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the board



E J Wilkinson

Director

11/12/2019

Statement of income and retained earnings

for the year ended 30 June 2019

	Note	2019 £000s	2018 £000s
Operating profit		-	-
Interest receivable and similar income	6	1,535	2,350
Interest payable and similar charges	7	(788)	(1,792)
Profit on ordinary activities before taxation		747	558
Tax on profit on ordinary activities	8	(142)	(106)
Profit for the financial year	13	605	452
Retained earnings brought forward		4,634	4,182
Retained earnings carried forward	13	5,239	4,634

All items dealt with in the statement of income and retained earnings above relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The company has no other comprehensive income other than the results above and therefore no separate statement of comprehensive income has been prepared.

Balance sheet

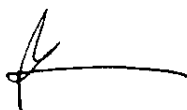
as at 30 June 2019

	Note	2019 £000s	2018 £000s
Fixed assets			
Investments	9	6,935	6,935
Current assets			
Debtors: amounts falling due within one year	10	13,870	20,450
Cash at bank and in hand		3	4
		<u>13,873</u>	<u>20,454</u>
Creditors: amounts falling due within one year	11	(14,569)	(21,755)
Net current liabilities		(696)	(1,301)
Total assets less current liabilities		6,239	5,634
Capital and reserves			
Called up share capital	12	1,000	1,000
Retained earnings	13	5,239	4,634
Total shareholders' funds	14	6,239	5,634

For the year ending 30 June 2019 the directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

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

The financial statements on pages 6 to 15 were approved by the board of directors and were signed on its behalf by:



P S Latham

Director

11/12/2019

Registered number: 05377478

Notes to the financial statements

for the year ended 30 June 2019

1. General information

EPR Renewable Energy Limited's sole activity is to hold shares in Energy Power Resources Limited.

The company is a private company limited by shares and is incorporated and registered in England. The address of its registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

2. Statement of compliance

The financial statements of EPR Renewable Energy Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Group financial statements

The company has taken advantage of the exemption available under section 400 of the Companies Act 2006 not to prepare consolidated financial statements, on the basis that the company's parent company is Melton Renewable Energy UK Limited, a company established under UK law that prepares consolidated financial statements.

Going concern

Notwithstanding the fact that the company has net current liabilities, the directors have prepared the financial statements on the going concern basis. The directors have received confirmation from Melton Renewable Energy UK Limited, of its intention to financially support the company such that the company can meet those obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

Notes to the financial statements

for the year ended 30 June 2019

3. Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the consolidated financial statements of the group in which the entity is consolidated, includes the company's cash flows;
- (ii) from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7;
- (iii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statements disclosures.

Related parties

The company is exempt from disclosing transactions with related entities, these being other 100% owned subsidiaries of Fern Trading Limited, as required by FRS 102, paragraph 33.1.

Investments

The company's investments in subsidiary undertakings are stated at cost less and where applicable, amounts written off to reflect the value of the underlying net assets of the investment at the balance sheet date.

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Group relief

Credits for amounts receivable in respect of tax losses surrendered to group companies are recognised in the period in which the losses are surrendered, as are charges in respect of tax losses claimed from group companies.

Notes to the financial statements

for the year ended 30 June 2019

3. Accounting policies (continued)

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income and retained earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

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

Notes to the financial statements

for the year ended 30 June 2019

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- a) Critical judgements in applying the company's accounting policies.

The directors consider that there are no critical judgements in the application of the company's accounting policies which would have a material impact on the financial statements.

- b) Key accounting estimates and assumptions.

The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

5. Employee information

The company paid no remuneration or wages to its directors and had no other employees during the year (2018: £nil). The emoluments of E J Wilkinson are paid by Melton Renewable Energy UK Limited which makes no recharge to the company. E J Wilkinson is a director of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries. His total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the subsidiary.

P S Latham and M G Setchell did not receive any payment for their services to the Melton Renewable Energy UK Limited group.

6. Interest receivable and similar income

	<i>2019</i>	<i>2018</i>
	<i>£000s</i>	<i>£000s</i>
Intercompany loan interest receivable	1,535	2,350

7. Interest payable and similar charges

	<i>2019</i>	<i>2018</i>
	<i>£000s</i>	<i>£000s</i>
Intercompany loan interest payable	788	1,792

Notes to the financial statements

for the year ended 30 June 2019

8. Tax on profit on ordinary activities

a) Analysis of charge in the year

	2019	2018
	£000s	£000s
Current tax:		
Group relief payable	142	106
Total current tax charge	142	106

b) Reconciliation of tax charge

The tax assessed on the profit on ordinary activities before taxation for the year is equal to (2018: equal to) the effective rate of corporation tax in the UK of 19% (2018: 19%).

c) Factors that may affect future tax charges

A reduction in the main rate of corporation tax to 17% from 1 April 2020 was substantively enacted as part of the Finance Bill 2016 (on 6 September 2016).

Notes to the financial statements

for the year ended 30 June 2019

9. Investments

Cost:	£000s
At 1 July 2018 and 30 June 2019	6,935

The subsidiary companies and joint venture of the group and the company at 30 June 2019, which are all wholly owned and incorporated in Great Britain (unless indicated otherwise) are listed below.

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<i>Subsidiary undertakings</i>			
Energy Power Resources Limited +	Ordinary shares	100%	Development of renewable energy projects and providing management and office services
EPR Scotland Limited	Ordinary shares	100%	Operation of electricity power station
EPR Ely Limited	Ordinary shares	100%	Operation of electricity power station
EPR Eye Limited	Ordinary shares	100%	Operation of electricity power station
EPR Glanford Limited	Ordinary shares	100%	Operation of electricity power station
EPR Thetford Limited	Ordinary shares	100%	Operation of electricity power station
Fibrophos Limited	Ordinary shares	100%	Supply of fertiliser
Anglian Straw Limited	Ordinary shares	100%	Dormant company
BestSelection Limited	Ordinary shares	100%	Dormant company
Energy Power Resources (Newco) Limited	Ordinary shares	100%	Dormant company
EPR Ely Power Limited	Ordinary shares	100%	Dormant company
Fibrowatt Limited	Ordinary shares	100%	Dormant company
Fibrowatt Group Limited	Ordinary shares	100%	Dormant company
First Renewables Limited	Ordinary shares	100%	Dormant company
<i>Joint venture</i>			
Yorkshire Windpower Limited	Ordinary shares	50%	Owner and operator of two wind power farms

+ Held directly by EPR Renewable Energy Limited.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The registered office of the companies listed above is 6th Floor, 33 Holborn, London, EC1N 2HT except for EPR Scotland Limited, 191 West George Street, Glasgow, G2 2LD and Yorkshire Windpower Limited, Westwood Way, Westwood Business Park, Coventry, CV4 8LG.

Notes to the financial statements

for the year ended 30 June 2019

10. Debtors

	2019	2018
	£000s	£000s
Amounts owed by group undertakings	13,870	20,450

All amounts owed by group undertakings are unsecured, bear interest at LIBOR plus a margin 5.5% (2018: 5.5%) and are repayable on demand.

11. Creditors: amounts falling due within one year

	2019	2018
	£000s	£000s
Amounts owed to group undertakings	287	254
Loan from immediate holding company	14,034	21,395
Group relief	248	106
	14,569	21,755

All amounts owed to group undertakings are unsecured, interest free and are repayable on demand. Melton Renewable Energy Newco Limited is the registered holder of £14,034,000 (2018: £21,395,000) loan notes issued by EPR Renewable Energy Limited to Melton Renewable Energy (Holdings) Limited on 23 September 2005. The notes are unsecured and bear interest at LIBOR plus a margin 5.5% (2018: 5.5%) and are repayable on demand.

12. Called up share capital

	2019	2018
	£000s	£000s
<i>Authorised</i>		
2,000,000 (2018: 2,000,000) ordinary shares of £1 each	2,000	2,000
<i>Allotted and fully paid</i>		
1,000,001 (2018: 1,000,001) ordinary shares of £1 each	1,000	1,000

Notes to the financial statements

for the year ended 30 June 2019

13. Retained earnings

	<i>Retained earnings £000s</i>
At 1 July 2018	4,634
Profit for the financial year	605
At 30 June 2019	5,239

14. Reconciliation of movements in shareholders' funds

	<i>2019 £000s</i>	<i>2018 £000s</i>
Profit for the financial year	605	452
Opening shareholders' funds	5,634	5,182
Closing shareholders' funds	6,239	5,634

15. Contingent liabilities

At 30 June 2019 the company was guarantor with other group companies of a debt facility agreement totalling £174,190,000 (2018: £nil) provided by the group's financiers.

The company has no other off balance sheet arrangements.

16. Ultimate parent company

Melton Renewable Energy Newco Limited is the immediate parent undertaking and Fern Trading Limited (an English limited company with its registered office at 6th Floor, 33 Holborn, London EC1N 2HT)) is the ultimate parent undertaking and controlling party.

Melton Renewable Energy UK Limited is the holding company of the smallest group of undertakings for which group financial statements are drawn up and Fern Trading Limited is the holding company of the largest group of undertakings for which group financial statements are drawn up. Copies of the group financial statements may be obtained from the address above.