

Registered number: 08544585

PEAK GEN TOP CO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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PEAK GEN TOP CO LIMITED

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PEAK GEN TOP CO LIMITED

COMPANY INFORMATION

Directors	J I Alvarez Landaluce J M Alvarez Landaluce M R Draper I R Graves
Company secretary	J A L Harben
Registered number	08544585
Registered office	Gables Lodge 62, Kenilworth Road Leamington Spa Warwickshire CV32 6JX
Independent auditors	Moore Chartered Accountants and Statutory Auditors 30 Gay Street Bath BA1 2PA
Bankers	HSBC Bank plc Level 6 71 Queen Victoria Street London EC4Y 4AY

PEAK GEN TOP CO LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Business review and future developments

Peak Gen Top Co Limited and its subsidiaries ('Peak Gen' or 'the Group') delivered a successful year maintaining a high safety, health and environmental record, whilst delivering strong financial performance and high levels of plant availability. The Group's overall financial health has continued to improve.

Revenue for Peak Gen for the financial year was £20.3m (2021: £11.0m), showing an improvement of 83% year on year, with Operating Profits of £9.8m (2021: £3.2m). The financial results reflect high availability and good performance levels across the fleet of low emissions generators and battery assets which provide grid services to Electrical System Operators, and energy security over the winter.

The Directors appreciate that the energy market in the last 12 months has been extremely volatile and that this has had a dramatic effect for all customers. As a Group, we have maintained services and ensured that assets have been available to help mitigate any network instability; indirectly helping consumers. The group has also taken measures to reduce its own energy consumption and improve efficiency.

The pace of change in the sector remains high and this brings significant opportunities for the business. The team welcome the opportunities to develop new assets, innovate new ideas and to optimise both the Group's own and other investors' technology.

The Directors continually monitor the economic situation and the impact of rising inflation and interest rates. Many of the Company's secure income streams are CPI linked, protecting the Group's margin as costs within the supply chain rise. All borrowings have been refinanced over the last 5 years, further protecting the cash flows.

The Group has had a profitable financial year, strengthening its financial position and maintaining cash reserves. The Group is anticipating that the financial performance for the 6-month period to 31 March 2023 will deliver the most successful results to date, with the increased trading activity in the period.

The Group's desire to grow the business to assist the UK's transition to Net Zero Energy is one of the Directors' main goals. The Directors are continuing to pursue a broad range of new opportunities to assist the United Kingdom and Europe with the Net Zero agenda and to help grow the Group's revenue streams. We will also seek opportunities in other markets where there is political and social support for change.

Significant investment has continued in recruiting new personnel across the business; all of whom have a similar passion to further the Group's Net Zero focus. The Directors and their teams are developing and evolving plans for growth continuously. The Directors have an aim to diversify the services offered so that added value for money for customers is achieved.

As part of diversifying the Group's offering, projects have been embarked upon with Joint Venture partners. During the year, utilising one of these partnerships, the Group successfully won a National Grid Electricity System Operator Pathfinder opportunity in Scotland. This project is complementary to the Mersey Reactive Power Limited project (which was solely delivered by the Peak Gen team). The Directors are confident that working with partners with a like minded focus and aim, the Group's growth can be enhanced.

PEAK GEN TOP CO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Principal risks and uncertainties

The Directors know that successful delivery of the Group's strategic objectives rests upon the effective identification, understanding and mitigation of principal risks. Peak Gen uses a comprehensive Risk Register, which is regularly reviewed by the Management Team and the Board.

Safety, Health and Environmental matters are discussed at every Board Meeting as the first item on the agenda.

The other principal risks identified are:

- Tougher emission and regulatory standards on generators, which could impact ability to maintain our long-term contracts. To mitigate this risk, Selective Catalytic Reduction NOx reduction units have been fitted across the engine fleet, so that the emission and regulatory standards are exceeded, and that Peak Gen is a good neighbour to the surrounding community. Peak Gen will continue to seek alternative fuels to reduce our carbon impact and are committed to net zero.
- *The maintenance of existing assets is vital to ensure high levels of availability for Peak Gen customers.* Regular maintenance and improvement projects for all the sites are undertaken by the skilled in-house operations team with external experts used where appropriate.
- Winning competitive tenders for new services is critical for our long term growth. A win plan is established for every competitive activity we pursue. The plan includes a clear approach to resources, financing and delivery, ensuring that we can tender efficiently as well as construct compelling solutions for our customers.
- Attracting and retaining a range of talent in all areas of the business is key to profitable growth. The inclusive, diverse and engaging culture established in 2019 is continuing to have an impact. All our team have clearly defined expectations for behaviour, accountability and performance.

PEAK GEN TOP CO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Financial risk management

The Group uses various financial instruments including cash, bank and other borrowings and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The main risks arising from the group's financial instruments are liquidity risk, interest rate risk, price risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity risk

The Group finances its operations through retained profits, bank and asset financing loans and overdrafts.

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at market rates. The Group has fixed and floating rate borrowings that may result in variability of cash flows due to changes in the variable base rate. The Directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the Group.

Price risk

The Group's exposure to price risk is limited due to long term revenue contracts being inflationary linked. The Group further manages price risk by monitoring fuel and other commodity linked prices.

Credit risk

The Group's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from trade debtors.

In order to manage credit risk the Directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by management on a regular basis in conjunction with debt ageing and collection history.

PEAK GEN TOP CO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Financial key performance indicators

The following were key performance indicators for the Group during the year:

	2022	2021
Revenue	£20.3m	£11.0m
EBITDA (excluding profit on disposal)	£11.5m	£4.8m
Gross profit margin	71.4%	67.2%
EBITDA margin (excluding profit on disposal)	57.0%	43.9%

The Directors are pleased with the margins that the Group continues to maintain whilst continually monitoring costs against revenues.

This report was approved by the board on 26 May 2023 and signed on its behalf.

DocuSigned by:

971C321A7CC8434...
I R Graves
Director

PEAK GEN TOP CO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The Directors present their report and the financial statements for the year ended 30 September 2022.

Principal activity

The Group has built and operates a portfolio of flexible generation assets supplying ancillary services to National Grid.

Results and dividends

The profit for the year, after taxation, amounted to £7,310,764 (2021 - £2,775,907).

The Directors did not recommend paying a dividend during the year (2021: £Nil).

Directors

The Directors who served during the year were:

J I Alvarez Landaluce
J M Alvarez Landaluce
M R Draper
I R Graves

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PEAK GEN TOP CO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Going concern

The Directors have considered the Group's ability to continue as a going concern and have given particular attention on the Group of the economic impact of current global politics.

The Directors have considered cashflow forecasts and covenant compliance based on the forecasts for the period to March 2026.

The Group's forecasts of trading, cash flows and continued performance give the Directors comfort that the going concern basis of accounting is appropriate for the preparation of the financial statements, on the basis that it will be able to continue to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Due to the long-term nature of the contracts that the Group holds with a blue-chip national infrastructure counterparty the Directors are further satisfied that the going concern basis is appropriate.

In further support of the assessment of Peak Gen's continuance as a going concern, the Group has obtained confirmation from Dione Holdings Limited, the ultimate parent company, that the loan they have provided to Peak Gen Top Co Limited will not be recalled, unless Peak Gen Top Co Limited is able to repay the loan at this time.

Qualifying third party indemnity provisions

The Directors have the benefit of a Directors' and Officers' liability insurance, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The insurance does not provide cover where the person has acted fraudulently or dishonestly.

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 and the Group'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 and the Group's auditors are aware of that information.*

Events after the reporting date

The Group's accounts reference date has been changed from September to March from the next accounting period and therefore the next accounting period will be the 6-month period to 31st March 2023.

This report was approved by the board on 26 May 2023 and signed on its behalf.

DocuSigned by:

971C321A7CC8434 ...
I R Graves
Director

PEAK GEN TOP CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEAK GEN TOP CO LIMITED

Opinion

We have audited the financial statements of Peak Gen Top Co Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2022, which comprise the Consolidated Income Statement, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company 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 Group's and of the parent Company's affairs as at 30 September 2022 and of the Group's 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 Group 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 Group's or the parent 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.

PEAK GEN TOP CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEAK GEN TOP CO LIMITED (CONTINUED)

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.

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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 6, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

PEAK GEN TOP CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEAK GEN TOP CO LIMITED (CONTINUED)

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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct or fundamental effect on the financial statements. Key laws and regulations identified included the UK Companies Act, UK Financial Reporting Standards, UK taxation legislation and compliance with OFGEM regulations and the grid code. We also enquired of management and reviewed correspondence with authorities for any instances of non-compliance, as well as to see if there were any actual or potential litigation or claims.
- We gained an understanding of the controls that the Directors have in place to prevent and detect fraud. We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We performed analytical procedures for income, expenditure and payroll, to identify any unusual or unexpected relationships that might indicate material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls, we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.
- We performed reconciliations, reviewed transactions around the year-end and used third party confirmations to ensure that accounting standards were followed and that amounts in the financial statements were accurate.

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.

PEAK GEN TOP CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEAK GEN TOP CO LIMITED (CONTINUED)

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.

DocuSigned by:

Mark Powell

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Mark Powell (Senior Statutory Auditor)

for and on behalf of

Moore

Chartered Accountants and Statutory Auditors

30 Gay Street

Bath

BA1 2PA

30 May 2023

PEAK GEN TOP CO LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 £	2021 £
Revenue	4	20,256,687	11,040,913
Cost of sales		(5,789,603)	(3,621,650)
Gross profit		14,467,084	7,419,263
Administrative expenses		(4,695,304)	(4,198,286)
Operating profit	5	9,771,780	3,220,977
Profit on the disposal of investments	6	-	819,999
Interest receivable		82,867	363
Interest payable	9	(407,025)	(437,070)
Profit before tax		9,447,622	3,604,269
Tax on profit	10	(2,136,858)	(828,362)
Profit for the financial year		7,310,764	2,775,907

There were no recognised gains and losses for 2022 or 2021 other than those included in the Consolidated Income Statement.

The results included above are generated from continuing operations.

There are no items of other comprehensive income for 2022 or 2021 other than the profit for the year. As a result, no separate Statement of Comprehensive Income has been presented.


The notes on pages 20 to 43 form part of these financial statements.

PEAK GEN TOP CO LIMITED
REGISTERED NUMBER: 08544585

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Property, plant and equipment	11	24,785,945	24,339,605
Current assets			
Work in progress	13	156,978	-
Inventories	14	1,260,257	576,422
Debtors: amounts falling due within one year	15	3,811,059	2,892,550
Cash at bank and in hand	16	7,446,522	3,490,629
		<u>12,674,816</u>	<u>6,959,601</u>
Creditors: amounts falling due within one year	17	(9,861,948)	(10,986,728)
Net current assets/(liabilities)		<u>2,812,868</u>	<u>(4,027,127)</u>
Total assets less current liabilities		<u>27,598,813</u>	<u>20,312,478</u>
Creditors: amounts falling due after more than one year	18	(6,309,663)	(7,414,474)
Provisions for liabilities			
Deferred taxation	20	(1,921,981)	(841,599)
Net assets		<u><u>19,367,169</u></u>	<u><u>12,056,405</u></u>
Capital and reserves			
Called up share capital	21	16,287	16,287
Profit and loss account	22	19,350,882	12,040,118
Total equity		<u><u>19,367,169</u></u>	<u><u>12,056,405</u></u>

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

DocuSigned by:

971C321A7CC8434.

I R Graves

Director

Approved by the board on 26 May 2023

The notes on pages 20 to 43 form part of these financial statements.

PEAK GEN TOP CO LIMITED
REGISTERED NUMBER: 08544585

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Property, plant and equipment	11	36,901	40,260
Investments	12	16,260	16,260
		<u>53,161</u>	<u>56,520</u>
Current assets			
Debtors: amounts falling due within one year (including £8,717 (2021: £15,424) falling due after one year)	15	5,077,755	9,814,075
Cash at bank and in hand	16	5,639,426	2,942,921
		<u>10,717,181</u>	<u>12,756,996</u>
Creditors: amounts falling due within one year	17	<u>(8,274,577)</u>	<u>(9,488,130)</u>
Net current assets		<u>2,442,604</u>	<u>3,268,866</u>
Total assets less current liabilities		<u>2,495,765</u>	<u>3,325,386</u>
Net assets		<u><u>2,495,765</u></u>	<u><u>3,325,386</u></u>
Capital and reserves			
Called up share capital	21	16,287	16,287
Profit and loss account	22	2,479,478	3,309,099
Total equity		<u><u>2,495,765</u></u>	<u><u>3,325,386</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The Company has made a loss for the year of £829,621 (2021: loss of £1,556,069).

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

DocuSigned by:

I R Graves

Director

Approved by the board on 26 May 2023

The notes on pages 20 to 43 form part of these financial statements.

PEAK GEN TOP CO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2020	16,287	9,264,211	9,280,498
Profit for the year	-	2,775,907	2,775,907
At 1 October 2021	16,287	12,040,118	12,056,405
Profit for the year	-	7,310,764	7,310,764
At 30 September 2022	16,287	19,350,882	19,367,169

The notes on pages 20 to 43 form part of these financial statements.

PEAK GEN TOP CO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2020	16,287	4,865,168	4,881,455
Loss for the year	-	(1,556,069)	(1,556,069)
At 1 October 2021	16,287	3,309,099	3,325,386
Loss for the year	-	(829,621)	(829,621)
At 30 September 2022	16,287	2,479,478	2,495,765

The notes on pages 20 to 43 form part of these financial statements.

PEAK GEN TOP CO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022 £	2021 £
Profit for the financial year	7,310,764	2,775,907
Adjustments for:		
Depreciation of property, plant and equipment	1,769,617	1,627,483
Interest paid	407,025	437,070
Interest received	(82,867)	(363)
Taxation charge	2,136,858	828,362
Increase in inventories and work in progress net of effects from disposal	(840,813)	(99,069)
Increase in debtors net of effects from disposal	(918,509)	(1,292,881)
Increase in creditors net of effects from disposal	535,079	504,268
Corporation tax paid	(16,439)	-
Profit on the disposal of investments	-	(819,999)
Net cash generated from operating activities	10,300,715	3,960,778
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,215,957)	(1,796,612)
Proceeds from disposal of subsidiary (net of cash disposed)	-	1,016,867
Interest received	82,867	363
Net cash from investing activities	(2,133,090)	(779,382)
Cash flows from financing activities		
New debt drawn down	1,481,130	439,494
Repayment of bank loans	(1,228,567)	(1,228,567)
Repayment of asset financing loans	(1,389,562)	(1,876,506)
Repayment of related party loans	(3,000,000)	-
Joint venture loans	332,292	395,727
Interest paid	(407,025)	(437,070)
Net cash used in financing activities	(4,211,732)	(2,706,922)
Net increase in cash and cash equivalents	3,955,893	474,474
Cash and cash equivalents at beginning of year	3,490,629	3,016,155
Cash and cash equivalents at the end of year	7,446,522	3,490,629

PEAK GEN TOP CO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,446,522	3,490,629
	<u>7,446,522</u>	<u>3,490,629</u>

The notes on pages 20 to 43 form part of these financial statements.

PEAK GEN TOP CO LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	At 1 October 2021 £	Cash flows £	Other non- cash changes £	At 30 September 2022 £
Cash at bank and in hand	3,490,629	3,955,893	-	7,446,522
Debt due within 1 year	(8,353,125)	4,136,999	(1,437,103)	(5,653,229)
Debt due after 1 year	(7,414,474)	(332,292)	1,437,103	(6,309,663)
	<u>(12,276,970)</u>	<u>7,760,600</u>	<u>-</u>	<u>(4,516,370)</u>

The notes on pages 20 to 43 form part of these financial statements.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. General information

Peak Gen Top Co Limited is a private company limited by shares and is incorporated in England and Wales. Its registered number is 08544585. The registered office is Gables Lodge, 62 Kenilworth Road, Leamington Spa, Warwickshire, CV32 6JX.

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 compliance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements comprise the audited financial statements of the Group and Company and are stated in pound sterling, the Group and Company's functional and presentational currency.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The following principal accounting policies which have been applied consistently throughout the year are set out below.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The Group financial statements consolidate the financial statements of the Company and all of its subsidiaries drawn up to 30 September 2022.

The consolidated financial statements incorporate the results of business combinations using the purchase method with joint ventures being consolidated using the proportional method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Parent company reduced disclosure exemptions

In preparing the financial statements of the parent, advantage has been taken, as permitted by FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, from the requirements of Section 7 Statement of Cash Flows and the requirements of Section 33 Related Party Disclosures. Additionally, the parent has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.4 Going concern

The Directors have considered the Group's ability to continue as a going concern and have given particular attention on the Group of the economic impact of current global politics.

The Directors have considered cashflow forecasts and covenant compliance based on the forecasts for the period to March 2026.

The Group's forecasts of trading, cash flows and continued performance give the Directors comfort that the going concern basis of accounting is appropriate for the preparation of the financial statements, on the basis that it will be able to continue to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Due to the long-term nature of the contracts that the Group holds with a blue-chip national infrastructure counterparty the Directors are further satisfied that the going concern basis is appropriate.

In further support of the assessment of Peak Gen's continuance as a going concern, the Group has obtained confirmation from Dione Holdings Limited, the ultimate parent company, that the loan they have provided to Peak Gen Top Co Limited will not be recalled, unless Peak Gen Top Co Limited is able to repay the loan at this time.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue on long term contracts is recognised in line with the terms of the underlying contract.

Revenue from services, which includes short term ancillary services, triad income, energy supplied and commercial running income, is recognised in the period in which the service is performed.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.6 Property, plant and equipment

Property, plant and equipment 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Not depreciated
Plant and machinery	- Straight line 7 - 10%
Office equipment	- Straight line 33%

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.

2.7 Research costs

Research costs are recognised in the Consolidated Income Statement as they are incurred.

2.8 Impairment of property, plant and equipment

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset or cash-generating unit ("CGU") to which the asset has been allocated is tested for impairment. 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 or CGU's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels of CGU for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased. Impairment losses are charged to the Income Statement in the year in which they occur.

2.9 Investments in subsidiaries and joint ventures

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Work in progress

Work in progress relates to costs incurred for projects currently in initial stages of development. Cost is measured at transaction price. Costs are expensed to the Consolidated Income Statement as soon as a project is no longer viable.

PEAK GEN TOP CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.11 Inventories

Inventories are measured at fair value less costs to sell through the profit or loss. Cost is based on the cost of purchase with a mark to market adjustment on a first in, first out basis.

2.12 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.

2.13 Cash at bank

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.14 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.

2.15 Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, 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 profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised.

The impairment reversal is recognised in profit or loss. Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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.

Offsetting

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

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.18 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pound sterling.

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.19 Finance costs

Finance costs are charged to the Consolidated Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.21 Interest income

Interest income is recognised in profit or loss using the effective interest method.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.22 Pensions

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

The contributions are recognised as an expense in the Consolidated Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The following are considered key judgments:

Useful lives of plant and machinery

Plant and machinery is depreciated over its useful life less any residual value. Useful lives are based on management's estimates of the periods within which the assets will generate revenue and are periodically reviewed for continued appropriateness. Residual value is the estimated amount that an entity would currently obtain from disposal of an asset after deducting the estimated costs of disposal, if the assets *were already of the age and the conditions expected at the end of its useful life. Management estimates* residual values with reference to market transactions for similar assets. Changes to judgments can result to significant variations in the carrying value of plant and machinery and amounts charged to the Consolidated Income Statement.

4. Analysis of Revenue

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

	Group 2022 £	<i>Group 2021 £</i>
Long term contracts	4,825,832	5,877,755
Services	15,430,855	5,163,158
	<u>20,256,687</u>	<u>11,040,913</u>

Analysis of revenue by country of destination:

	Group 2022 £	<i>Group 2021 £</i>
United Kingdom	<u>20,256,687</u>	<u>11,040,913</u>

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

5. Operating profit

The operating profit is stated after charging:

	Group 2022	<i>Group 2021</i>
	£	<i>£</i>
Depreciation of owned fixed assets	1,769,617	<i>1,627,483</i>
Other operating lease rentals	509,316	<i>525,441</i>
Group's auditor: fees for audit services	42,500	<i>48,500</i>
Group's auditor: fees for taxation compliance services	22,500	<i>35,250</i>
	<u>2,344,933</u>	<u><i>2,236,674</i></u>

6. Profit on disposal

During the prior financial year, Peak Gen Power 27 Limited which was a subsidiary at the start of the financial year was disposed of in August 2021 to a third party. The detail of the disposal is as follows:

	Group 2022	<i>Group 2021</i>
	£	<i>£</i>
Disposal of subsidiary	-	<i>1,016,867</i>
Net cash disposed of in subsidiary	-	<i>-</i>
Net assets disposed of:		
Fixed assets	-	<i>189,913</i>
Receivables	-	<i>6,955</i>
Cash	-	<i>-</i>
	<u>-</u>	<u><i>196,868</i></u>
Profit on disposal	-	<i>819,999</i>
Satisfied by:		
Cash	-	<i>1,016,867</i>

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2022 £	<i>Group 2021 £</i>
Wages and salaries	1,555,153	1,663,304
Social security costs	153,060	207,577
Cost of defined contribution scheme	91,171	41,633
	<u><u>1,799,384</u></u>	<u><u>1,912,514</u></u>

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

	Group 2022 No.	<i>Group 2021 No.</i>
Management and administration	<u><u>21</u></u>	<u><u>19</u></u>

8. Directors' remuneration

	Group 2022 £	<i>Group 2021 £</i>
Directors' emoluments	<u><u>368,740</u></u>	<u><u>407,352</u></u>

The highest paid Director received remuneration of £338,740 (2021: £307,352).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2021: £Nil).

During the year retirement benefits were accruing to no directors (2021: None) in respect of defined contribution pension schemes.

The key management personnel received remuneration of £725,130 (2021: £931,895).

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

9. Interest payable and similar expenses

	Group 2022 £	<i>Group 2021 £</i>
Bank loans and overdrafts	156,254	147,800
Other loans	250,771	289,270
	407,025	437,070

10. Taxation

	Group 2022 £	<i>Group 2021 £</i>
Corporation tax		
Current tax on profits for the year	1,056,476	15,668
Deferred tax		
Origination and reversal of timing differences	1,080,382	812,694
Taxation on profit on ordinary activities	2,136,858	828,362

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

10. Taxation (continued)

Factors affecting tax charge for the year

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

	Group 2022 £	Group 2021 £
Profit on ordinary activities before tax	9,447,622	3,604,269
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,795,048	684,812
Effects of:		
Expenses not deductible for tax purposes	687	(135,871)
Fixed asset differences	371,790	18,974
Utilisation of tax losses	(96,809)	-
Unrelieved tax losses carried forward	(41,458)	-
Other differences leading to an increase in the tax charge	109,883	-
Group relief	(2,283)	-
Remeasurement of deferred tax for tax rate change	-	170,988
Movement in deferred tax not recognised	-	11,355
Adjustments in deferred tax charge for prior period	-	78,875
Adjustments to current tax charge for prior period	-	(771)
Total tax charge for the year	2,136,858	828,362

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This proposal was substantively enacted in the Finance Bill 2021 and as such, its effects have been included within these financial statements.

PEAK GEN TOP CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Property, plant and equipment

Group

	Land and buildings £	Plant and machinery £	Office equipment £	Total £
Cost or valuation				
At 1 October 2021	275,000	58,179,601	184,516	58,639,117
Additions	-	2,199,359	16,598	2,215,957
At 30 September 2022	<u>275,000</u>	<u>60,378,960</u>	<u>201,114</u>	<u>60,855,074</u>
Depreciation				
At 1 October 2021	-	34,155,256	144,256	34,299,512
Charge for the year on owned assets	-	1,749,660	19,957	1,769,617
At 30 September 2022	<u>-</u>	<u>35,904,916</u>	<u>164,213</u>	<u>36,069,129</u>
Net book value				
At 30 September 2022	<u>275,000</u>	<u>24,474,044</u>	<u>36,901</u>	<u>24,785,945</u>
At 30 September 2021	<u>275,000</u>	<u>24,024,345</u>	<u>40,260</u>	<u>24,339,605</u>

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold land	<u>275,000</u>	<u>275,000</u>

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

11. Property, plant and equipment (continued)

Company

	Office equipment £
Cost or valuation	
At 1 October 2021	184,516
Additions	16,598
At 30 September 2022	201,114
Depreciation	
At 1 October 2021	144,256
Charge for the year on owned assets	19,957
At 30 September 2022	164,213
Net book value	
At 30 September 2022	36,901
<i>At 30 September 2021</i>	<i>40,260</i>

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12. Investments

Company

	Investments in subsidiary and joint venture companies £
Cost or valuation	
At 1 October 2021	16,260
At 30 September 2022	16,260

Investments in joint ventures totals £2 (2021: £2).

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Peak Gen Power Limited	Ordinary	100%
Peak Gen Holdings Limited	Ordinary	100%
Net Zero Energy Development Limited	Ordinary	100%
Peak Gen Power Systems Limited*	Ordinary	100%
Peak Power Associates Limited*	Ordinary	100%
PGP Systems Limited*	Ordinary	100%
W4B Renewable Energy Limited*	Ordinary	100%
Peak Gen Power 2 Limited*	Ordinary	100%
Peak Gen Power 3 Limited*	Ordinary	100%
Peak Gen Power 4 Limited*	Ordinary	100%
Peak Gen Power 5 Limited*	Ordinary	100%
Peak Gen Power 6 Limited*	Ordinary	100%
Peak Gen Power 7 Limited*	Ordinary	100%
Peak Gen Power 8 Limited*	Ordinary	100%
Peak Gen Power 9 Limited*	Ordinary	100%
Peak Gen Power 10 Limited*	Ordinary	100%
Peak Gen Power 11 Limited*	Ordinary	100%
Peak Gen Power 12 Limited*	Ordinary	100%
Peak Gen Power 13 Limited*	Ordinary	100%
Peak Gen Power 14 Limited*	Ordinary	100%
Peak Gen Power 17 Limited*	Ordinary	100%
Peak Gen Power 18 Limited*	Ordinary	100%
Peak Gen Power 21 Limited*	Ordinary	100%
Peak Gen Power 24 Limited*	Ordinary	100%
Peak Gen Power 25 Limited*	Ordinary	100%
Peak Gen Power 26 Limited*	Ordinary	100%
Peak Gen Power 31 Limited*	Ordinary	100%

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12. Investments (continued)

Subsidiary undertakings (continued)

* Indicates an indirectly held subsidiary.

Peak Gen Power Limited (company registration number 07344467), Peak Gen Holdings Limited (company registration number 08179597), Net Zero Energy Development Limited (company registration number 12613469), W4B Renewable Energy Limited (company registration number 06479668), Peak Gen Power 2 Limited (company registration number 08179576), Peak Gen Power 4 Limited (company registration number 08527210), Peak Gen Power 5 Limited (company registration number 08527380), Peak Gen Power 6 Limited (company registration number 08527433), Peak Gen Power 7 Limited (company registration number 08527468), Peak Gen Power 11 Limited (company registration number 09144127), Peak Gen Power 12 Limited (company registration number 09144365), Peak Gen Power 13 Limited (company registration number 09144209), Peak Gen Power 14 Limited (company registration number 09145062), Peak Gen Power 18 Limited (company registration number 09145186) and Peak Gen Power 31 Limited (company registration number 12936838) have taken advantage of the exemption in relation to the audit of their financial statements under section 479A of the Companies Act 2006, as Peak Gen Top Co Limited has provided these companies with parental guarantees.

The registered office of all the above subsidiaries is Gables Lodge, 62 Kenilworth Road, Leamington Spa, CV32 6JX.

Joint venture undertaking

The following were joint venture undertakings of the Company:

Name	Class of shares	Holding
Mersey Reactive Power Limited	Ordinary	50%
TINZ Limited	Ordinary	50%

Mersey Reactive Power Limited (company registered number 12650628) and TINZ Limited (company registered number 13073962) both have their registered office at Gables Lodge, 62 Kenilworth Road, Leamington Spa, England, CV32 6JX

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

13. Work in progress

	Group 2022 £	<i>Group 2021 £</i>
Work in progress	156,978	-

Work in progress relates to costs incurred for projects currently in initial stages of development.

14. Inventories

	Group 2022 £	<i>Group 2021 £</i>
Raw materials and consumables	1,260,257	576,422

15. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade debtors	166,454	539,105	221,951	-
Amounts owed by group undertakings	-	-	4,205,366	9,646,570
Amounts owed by joint ventures	1,372,480	556,915	-	-
Other debtors	558,758	4,800	450,553	-
Prepayments and accrued income	1,713,367	1,791,730	191,168	152,081
Deferred taxation (see note 20)	-	-	8,717	15,424
	3,811,059	2,892,550	5,077,755	9,814,075

Trade debtors, amounts owed by joint ventures, amounts owed by group undertakings and other debtors are basic financial assets held at amortised cost.

An impairment of £Nil (2021: reversal of £558,891) has been recognised in the Company Income Statement in relation to amounts owed by Group Undertakings.

No interest is charged on amounts owed by group undertakings, the amounts are repayable on demand and are unsecured.

The deferred tax assets for the Company are considered by the Directors to be falling due after more than one year.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

16. Cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Cash at bank and in hand	7,446,522	<i>3,490,629</i>	5,639,426	<i>2,942,921</i>

Cash and cash equivalents are basic financial assets held at amortised cost.

17. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Bank loans	1,528,666	<i>1,228,559</i>	-	-
Asset financing loans	1,389,563	<i>1,389,566</i>	-	-
Trade creditors	957,842	<i>969,096</i>	62,148	<i>95,627</i>
Amounts owed to group undertakings	-	-	5,040,795	<i>3,128,250</i>
Amounts owed to related parties	2,735,000	<i>5,735,000</i>	2,735,000	<i>5,735,000</i>
Corporation tax	1,055,705	<i>15,668</i>	-	-
Other taxation and social security	83,684	<i>142,198</i>	83,684	<i>142,198</i>
VAT	-	<i>77,365</i>	-	-
Other creditors	-	<i>52,325</i>	-	<i>52,326</i>
Accruals and deferred income	2,111,488	<i>1,376,951</i>	352,950	<i>334,729</i>
	9,861,948	<i>10,986,728</i>	8,274,577	<i>9,488,130</i>

Bank loan, asset financing loan, trade creditors, amounts owed to group undertakings, amounts owed to related parties and other creditors are financial liabilities held at amortised cost.

Amounts due to related parties of £2,735,000 (2021: £5,735,000) relate to amounts due to the Group's ultimate controlling party, Dione Holdings Limited arising from loans made to the Company. The amount owed to Dione Holdings Limited is repayable on demand and as such bears no interest. The Group has obtained confirmation from Dione Holdings Limited, the ultimate controlling party, that there are no fixed repayment terms, the loan they have provided to Peak Gen Top Co Limited will not be recalled unless Peak Gen Top Co Limited is in a position to be able to repay the loan at this time.

No interest is charged on amounts owed to group undertakings, the amounts are repayable on demand and are unsecured.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

	Group 2022 £	<i>Group 2021 £</i>
Bank loans	2,849,086	2,896,630
Asset financing loans	2,732,558	4,122,117
Amounts owed to joint venture undertakings	728,019	395,727
	<u>6,309,663</u>	<u>7,414,474</u>

The bank loans are secured against the assets of the Group. Asset finance loans were entered into during prior years in order to purchase equipment for the Group. These loans are secured by way of a fixed charge against specific assets of the Group.

Bank loans of £2,457,127 (2021: £3,685,695) bear interest at 3.25% plus LIBOR. Subsequent to the discontinuation of LIBOR on 31 December 2021, interest has been charged at 3.25% above Bank of England base rate. Repayments are due quarterly, with the loan due to be fully repaid in September 2024.

Bank loans of £1,920,625 (2021: £439,494) bear interest at 4.05% plus Bank of England base rate. Repayments are due quarterly, with the loan due to be fully repaid in September 2025.

Asset finance loans of £2,489,010 (2021: £3,152,745) bear interest at 4.25% plus Bank of England base rate. Repayments are due quarterly with the loan due to be fully repaid in September 2026.

Asset finance loans of £1,633,111 (2021: £2,358,938) were refinanced during the prior year and now bear interest at 4.35% plus Bank of England base rate. Repayments are due quarterly, and the refinancing on improved terms has extended the final repayment date from June 2023 to December 2024.

Interest is charged to the Income Statement on loans once the assets are commissioned. Interest rolls up on the loan up until this point.

Bank and Asset financing loans are all secured on the assets held within plant and machinery to which they relate.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

19. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Amounts falling due within one year				
Bank loans	1,528,666	1,228,559	-	-
Other loans	1,389,563	1,389,566	-	-
Related party loans (see Notes 18 and 27)	2,735,000	5,735,000	2,735,000	5,735,000
	5,653,229	8,353,125	2,735,000	5,735,000
Amounts falling due 2-5 years				
Bank loans	2,849,086	2,896,630	-	-
Other loans	2,732,558	4,122,117	-	-
	5,581,644	7,018,747	-	-
Amounts falling due after more than 5 years				
Joint venture loan	728,019	395,727	-	-
	728,019	395,727	-	-
	11,962,892	15,767,599	2,735,000	5,735,000

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

20. Deferred taxation

Group

	2022	2021
	£	£
At beginning of year	(841,599)	(28,905)
Charged to profit or loss	(1,080,382)	(812,694)
At end of year	<u>(1,921,981)</u>	<u>(841,599)</u>

Company

	2022	2021
	£	£
At beginning of year	15,424	117,707
Charged to profit or loss	(6,707)	(102,283)
At end of year	<u>8,717</u>	<u>15,424</u>

The provision for deferred taxation is made up as follows:

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	(2,094,175)	(841,599)	8,717	15,424
Tax losses carried forward	172,194	-	-	-
	<u>(1,921,981)</u>	<u>(841,599)</u>	<u>8,717</u>	<u>15,424</u>

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

21. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
12,409,500 (2021 - 12,409,500) A Ordinary shares of £0.001 each	12,410	12,410
3,125,000 (2021 - 3,125,000) B Ordinary shares of £0.001 each	3,125	3,125
751,816 (2021 - 751,816) C Ordinary shares of £0.001 each	752	752
	<hr/> 16,287 <hr/>	<hr/> 16,287 <hr/>

Ordinary A shares bear the right to receive dividends and to attend and vote at Peak Gen Top Co Limited shareholder meetings.

Ordinary B shares bear the right to receive dividends.

Ordinary C shares give the right to receive notices and to attend and speak and vote at all general meetings of the Company. This class of shares has an aggregate of 5% of the voting rights attached to all shares of the Company.

22. Reserves**Profit and loss account**

The profit and loss account contains all current and prior period retained earnings.

23. Change in accounting policy

There has been a change in the inventories accounting policy. Inventory is now measured on a fair value basis rather than the lower of cost or net realisable value. The Group has decided to make this change as it believes it is a more relevant measure of the Group's performance due to the fluctuation in inventory prices and the inventory being a store of readily realisable value.

Due to the change in accounting policy not being material in the prior period, no adjustment has been made to the prior year financials. The impact of the change in accounting policy for the year ended 30 September 2021 would increase the value of inventory to £614,960 and would have increased profits by £38,538 in the Consolidated Income Statement.

24. Capital commitments

As at 30 September 2022 the Group and Company had capital commitments of £Nil (2021: £1,005,242).

25. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge represents the contributions payable by the Company to the fund and amounted to £91,171 (2021: £41,633). Contributions totalling £Nil (2021: £Nil) were payable to the fund at the year end date.

PEAK GEN TOP CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

26. Commitments under operating leases

At 30 September 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Not later than 1 year	391,050	<i>384,832</i>	29,000	<i>25,000</i>
Later than 1 year and not later than 5 years	1,382,360	<i>1,403,004</i>	87,086	<i>100,000</i>
Later than 5 years	1,805,737	<i>2,029,454</i>	-	<i>71</i>
	<u>3,579,147</u>	<i><u>3,817,290</u></i>	<u>116,086</u>	<i><u>125,071</u></i>

27. Related party transactions

The Company has taken advantage of the exemption available in section 33 of FRS 102 'Related Party Disclosures' to not disclose transactions with other wholly owned subsidiaries in the Group. The immediate parent company is Dione Holdings Limited.

During the year £3,000,000 (2021: £Nil) was repaid to Dione Holdings Limited. The balance at the year end was £2,735,000 (2021: £5,735,000).

The Company has remunerated key management personnel during the year. The details are disclosed in Note 8. Additionally, the Company received key management personnel services from Stelling Investments Limited at a cost of £600,000 (2021: £600,000). The balance at the year end was £Nil (2021: £Nil).

28. Events after the reporting date

The Group's accounts reference date has been changed from September to March from the next accounting period and therefore the next accounting period will be the 6-month period to 31st March 2023.

29. Immediate parent and ultimate controlling party

The immediate and ultimate parent company and controlling party is Dione Holdings Limited, incorporated in the Territory of the British Virgin Islands.

The largest and smallest groups into which accounts are consolidated are those of Peak Gen Top Co Limited.

Copies of Peak Gen Top Co Limited's consolidated financial statements are available from Companies House.