

Registered number: 06479668

W4B RENEWABLE ENERGY LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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W4B RENEWABLE ENERGY LIMITED

COMPANY INFORMATION

Directors

I R Graves
J G Fairchild (resigned 13 January 2021)
N Sillito
J A L Harben (appointed 13 January 2021)

Registered number

06479668

Registered office

Gables Lodge
62 Kenilworth Road
Leamington Spa
Warwickshire
CV32 6JX

Accountants

Grant Thornton UK LLP
Chartered Accountants
The Colmore Building
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

Bankers

HSBC Bank Plc
Level 6
71 Queen Victoria Street
London
EC4Y 4AY

W4B RENEWABLE ENERGY LIMITED

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W4B RENEWABLE ENERGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Directors present their report and the financial statements for the year ended 30 September 2020.

Principal activity

The Company 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 £315,316 (2019 - £364,616).

The Company paid a dividend of £Nil (2019: £500,000).

Directors

The Directors who served during the year and subsequently were:

I R Graves
J G Fairchild (resigned 13 January 2021)
N Sillito

J A L Harben was appointed as a Director on 13 January 2021.

Going concern

The Directors have considered the Company's ability to continue as a going concern and have given particular attention to the continuing impact of Covid-19.

Due to the long-term nature of the contracts that the Company holds with a blue-chip national infrastructure counterparty the Directors are satisfied that Covid-19 does not pose a going concern threat, even if the impact of the pandemic continues for a further twelve months after the signing date of the annual report and financial statements.

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 be able to repay the loan at this time.

The Company'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.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

Ian Graves
I R Graves
Director
Date: 17 June 2021

W4B RENEWABLE ENERGY LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

| | 2020 £ | 2019 £ |
|--------------------------------------|------------------|------------------|
| Revenue | 1,287,254 | 1,386,821 |
| Cost of sales | (181,649) | (210,164) |
| Gross profit | 1,105,605 | 1,176,657 |
| Administrative expenses | (648,885) | (636,324) |
| Operating profit | 456,720 | 540,333 |
| Interest payable and similar charges | (116,867) | (151,022) |
| Profit before tax | 339,853 | 389,311 |
| Tax charges on profit | (24,537) | (24,695) |
| Profit for the financial year | 315,316 | 364,616 |

There were no recognised gains and losses for 2020 or 2019 other than those included in the Income Statement.

All of the activities of the Company are classed as continuing operations.

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 6 to 14 form part of these financial statements.

W4B RENEWABLE ENERGY LIMITED
REGISTERED NUMBER:06479668

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

| | Note | 2020 £ | 2019 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Property, plant and equipment | 6 | 3,693,204 | 4,220,954 |
| | | <u>3,693,204</u> | <u>4,220,954</u> |
| Current assets | | | |
| Inventories | 7 | 20,964 | 41,267 |
| Debtors: amounts falling due within one year | 8 | 442,434 | 356,312 |
| Cash at bank | 9 | 369,813 | 256,295 |
| | | <u>833,211</u> | <u>653,874</u> |
| Creditors: amounts falling due within one year | 10 | (945,570) | (976,696) |
| Net current liabilities | | <u>(112,359)</u> | <u>(322,822)</u> |
| Total assets less current liabilities | | <u>3,580,845</u> | <u>3,898,132</u> |
| Creditors: amounts falling due after more than one year | 11 | (1,971,419) | (2,628,559) |
| Provisions for liabilities | | | |
| Deferred tax | 13 | (269,259) | (244,722) |
| | | <u>(269,259)</u> | <u>(244,722)</u> |
| Net assets | | <u><u>1,340,167</u></u> | <u><u>1,024,851</u></u> |

W4B RENEWABLE ENERGY LIMITED
REGISTERED NUMBER:06479668

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2020

| | Note | 2020 £ | 2019 £ |
|-----------------------------|------|------------------|------------------|
| Capital and reserves | | | |
| Called up share capital | 14 | 33,459 | 33,459 |
| Share premium account | 15 | 933,142 | 933,142 |
| Profit and loss account | 15 | 373,566 | 58,250 |
| | | <u>1,340,167</u> | <u>1,024,851</u> |

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006 as Peak Gen Top Co Limited has provided it with a parental guarantee.

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

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Directors on 17 June 2021 and were signed on its behalf by:

Ian Graves

I R Graves
Director

The notes on pages 6 to 14 form part of these financial statements.

W4B RENEWABLE ENERGY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 October 2019 | 33,459 | 933,142 | 58,250 | 1,024,851 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 315,316 | 315,316 |
| Total comprehensive income for the year | - | - | 315,316 | 315,316 |
| Total transactions with owners | - | - | - | - |
| At 30 September 2020 | 33,459 | 933,142 | 373,566 | 1,340,167 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 October 2018 | 33,459 | 933,142 | 193,634 | 1,160,235 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 364,616 | 364,616 |
| Total comprehensive income for the year | - | - | 364,616 | 364,616 |
| Dividends: Equity capital | - | - | (500,000) | (500,000) |
| Total transactions with owners | - | - | (500,000) | (500,000) |
| At 30 September 2019 | 33,459 | 933,142 | 58,250 | 1,024,851 |

The notes on pages 6 to 14 form part of these financial statements.

W4B RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. General information

W4B Renewable Energy Limited is a private company limited by shares and is incorporated in England and Wales. Its registered number is 06479668. Its registered head office is located at 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 Section 1A of 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 unaudited financial statements of the Company and are stated in pound sterling, the Company's functional and presentational currency.

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

2.2 Going concern

The Directors have considered the Company's ability to continue as a going concern and have given particular attention to the continuing impact of Covid-19.

Due to the long-term nature of the contracts that the Company holds with a blue-chip national infrastructure counterparty the Directors are satisfied that Covid-19 does not pose a going concern threat, even if the impact of the pandemic continues for a further twelve months after the signing date of the annual report and financial statements.

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 be able to repay the loan at this time.

The Company'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.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the 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 is recognised on the basis of energy supplied during the year. Revenue from related services is recognised when the services are rendered. Revenue is recorded at the end of each month when the invoice is raised under the terms of underlying contracts.

W4B RENEWABLE ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.4 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 write off 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:

| | |
|---------------------|-----------|
| Plant and machinery | - 7 - 10% |
|---------------------|-----------|

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 the Income Statement.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

2.6 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.

2.7 Cash at bank

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

2.8 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.

2.9 Finance costs

Finance costs are charged to the 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.

W4B RENEWABLE ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.10 Dividends

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

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the 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.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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.

W4B RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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 judgement in applying the Company's accounting policies. The following are considered key judgements;

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 judgements can result to significant variations in the carrying value of plant and machinery and amounts charged to the Income Statement.

4. Employees

The Company has no employees (2019: nil) and there were £nil staff costs for the year (2019: £nil). The Directors did not receive any remuneration from the Company (2019: £nil) but were remunerated by the ultimate parent company.

W4B RENEWABLE ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

5. Dividends

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Dividends paid at £Nil per ordinary share (2019: £0.015 per ordinary share) | - | 500,000 |

6. Property, plant and equipment

| | Plant and machinery £ |
|-----------------------|-----------------------------|
| Cost | |
| At 1 October 2019 | 6,937,334 |
| Additions | 11,730 |
| At 30 September 2020 | 6,949,064 |
| Depreciation | |
| At 1 October 2019 | 2,716,380 |
| Charge for the year | 539,480 |
| At 30 September 2020 | 3,255,860 |
| Net book value | |
| At 30 September 2020 | 3,693,204 |
| At 30 September 2019 | 4,220,954 |

7. Inventories

| | 2020 £ | 2019 £ |
|------|-----------|-----------|
| Fuel | 20,964 | 41,267 |

Inventory recognised in cost of sales during the year as an expense was £18,256 (2019: £44,308).

W4B RENEWABLE ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

8. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 261,154 | 119,445 |
| Prepayments and accrued income | 181,280 | 236,867 |
| | <u>442,434</u> | <u>356,312</u> |

Amounts owed from group undertakings have no interest payable, are unsecured and are payable on demand.

9. Cash at bank

| | 2020 £ | 2019 £ |
|--------------|-----------|-----------|
| Cash at bank | 369,813 | 256,295 |

10. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|----------------|----------------|
| Bank loans | 657,140 | 657,140 |
| Trade creditors | 468 | 39,505 |
| Amounts owed to group undertakings | 18,805 | 120,714 |
| VAT | 109,970 | 47,628 |
| Accruals and deferred income | 159,187 | 111,709 |
| | <u>945,570</u> | <u>976,696</u> |

Amounts owed to group undertakings have no interest payable, are unsecured and are payable on demand.

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

| | 2020 £ | 2019 £ |
|------------|-----------|-----------|
| Bank loans | 1,971,419 | 2,628,559 |

The bank loan is secured by the assets of the Company. Interest is charged at 3.25% plus LIBOR. Subsequent to the discontinuation of LIBOR, interest will be charged at 3.25% above bank base rate. Repayments are due quarterly, with the loan due to be fully repaid by September 2024.

W4B RENEWABLE ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

12. Loans

Analysis of the maturity of loans is given below:

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Amounts falling due within one year | | |
| Bank loans | 657,140 | 657,140 |
| Amounts falling due 2-5 years | | |
| Bank loans | 1,971,419 | 2,628,559 |
| | <u>2,628,559</u> | <u>3,285,699</u> |

13. Deferred taxation

| | 2020 £ | 2019 £ |
|-----------------------------------|------------------|------------------|
| At beginning of year (provision) | (244,722) | (220,027) |
| Charged to profit or loss | (24,537) | (24,695) |
| At end of year (provision) | <u>(269,259)</u> | <u>(244,722)</u> |

The provision for deferred taxation is made up as follows:

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | <u>269,259</u> | <u>244,722</u> |

W4B RENEWABLE ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

14. Share capital

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| 33,458,588 (2019 - 33,458,588) Ordinary shares of £0.001 each | <u>33,459</u> | <u>33,459</u> |

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

15. Reserves**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares is deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

16. Capital commitments

There were no capital commitments as at 30 September 2020 and 30 September 2019.

17. Commitments under operating leases

At 30 September 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Not later than 1 year | 51,440 | 51,440 |
| Later than 1 year and not later than 5 years | 186,599 | 205,760 |
| Later than 5 years | - | 32,374 |
| | <u>238,039</u> | <u>289,574</u> |

18. 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.

W4B RENEWABLE ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

19. Post balance sheet events

There were no events subsequent to the date of the Statement of Financial Position with a material impact on the reporting period.

20. Immediate parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is PGP Systems Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent undertaking is Peak Gen Top Co Limited, a company incorporated in the United Kingdom. The ultimate controlling party is Dione Holdings Limited, a company 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.