

INSPIRIT ENERGY LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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INSPIRIT ENERGY LIMITED

COMPANY INFORMATION

Directors

Mr J W Gunn
Miss S S Gunn

Company number

07160673 (England and Wales)

Registered office

2nd Floor, Solar House
Solar House,
915 High Road
London
N12 8QJ

INSPIRIT ENERGY LIMITED

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INSPIRIT ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the Company continued to be that of the research and development of renewable and energy efficient products and services for the UK Market and beyond.

The Company is currently pursuing the development and commercialisation of a world leading micro Combined Heat and Power (mCHP) appliance for use in commercial and residential markets. The mCHP product is powered by natural gas and designed to produce hot water (for Domestic Hot Water or Central Heating) and a simultaneous electrical output that can be used locally or fed back into the National Grid.

Results and dividends

The results for the year are set out on page 5. No dividends were declared or paid during the year (2018: nil)

Research and development

The Company undertakes a large amount of research and development, predominantly on the development of its mCHP appliance. The appliance itself has been developed over a number of years and is based upon a kinematic Stirling engine. The appliance offers an overall efficiency of up to 92%, divided between electrical efficiency (16%) and thermal efficiency (76%), and compares very favourably with conventional boilers, which typically run at 80% efficiency. The company has identified other applications of its enhanced technology in the Waste Heat recovery and Marine engine applications.

Directors

The following directors have held office since 1 July 2020:

Mr J W Gunn

Miss S S Gunn

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

INSPIRIT ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Going Concern

As at 30 June 2021 the Company had a cash balance of £7,653 (2020: £1,322), net negative current liabilities of £3,132,240 (2020: £3,095,177) and negative net assets of £291,962 (2020: £354,273). The Company continues to incur costs in the development and modification of their products and is pre-revenue.

The cash flow forecasts for the Company show that further equity and/or borrowings will be required to complete the final development and external testing of the Company's mCHP boilers and bring them into production to get to a cash flow positive position. The Company is reliant on continued support of the Parent company. Although the Directors are confident that further debt or equity can be raised at a valuation acceptable to the Company there is no guarantee this will be the case.

Small companies 'provision statement

This report has been prepared in accordance with the small companies' regime under Companies Act 2006

On behalf of the board



Mr J Gunn

Director

30 March 2021

INSPIRIT ENERGY LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Administrative expenses		(26,831)	(35,145)
		<hr/>	<hr/>
Operating loss	7	(26,832)	(35,145)
Exceptional loss on the impairment of the intangible asset		-	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(26,831)	(35,145)
Taxation	4	24,765	41,713
		<hr/>	<hr/>
Loss or profit for the year		(2,066)	6,568
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no items of other comprehensive income.

The notes on pages 5 to 11 form part of these financial statements.

INSPIRIT ENERGY LIMITED

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2021


	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	5		2,773,298		2,665,637
Tangible assets	6		29,458		34,725
Investments	8		1		1
			<u>2,802,757</u>		<u>2,700,363</u>
Current assets					
Debtors	9	29,867		45,220	
Cash at bank and in hand	17	7,654		1,322	
			<u>37,521</u>	<u>46,542</u>	
Creditors: amounts falling due within one year	10	(3,132,240)		(3,095,177)	
Net current liabilities			<u>(3,094,719)</u>		<u>(3,048,635)</u>
Total assets less current liabilities			<u>(291,962)</u>		<u>(354,273)</u>
Capital and reserves					
Called up share capital	11		15,230		15,230
Share premium account			737,403		737,403
Profit and loss account	16		(1,044,595)		(1,100,905)
Shareholders' funds			<u>(291,962)</u>		<u>(354,272)</u>

For the Financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These Financial Statements were approved by the Board of Directors on 30 March 2021



Mr J Gunn
Director

Company Registration No. 07160673

The notes on pages 5 to 11 form part of these financial statements.

INSPIRIT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 General information

Inspirite Energy Limited is a private company limited by shares and incorporated in England. Its registered office is 2nd Floor, Solar House, 915 High Road, North Finchley, London N12 8QJ.

The financial statements are presented in Sterling (£), which is the functional currency of the company.

2 Accounting policies

2.1 Basis of Preparation of financial Statements

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 Section 1A – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

2.2 Going Concern

The Company meets its day-to-day working capital requirements through the use of cash reserves.

The directors have considered the applicability of the going concern basis in the preparation of these financial statements. This included the review of internal budgets and financial results which show, taking into account reasonably probable changes in financial performance, that the company should be able to operate within the level of its current funding arrangements. The Company, its future development and its financial position, in terms of cash flows and liquidity, is reliant upon the financial support from its parent undertaking.

The directors have a reasonable expectation that the Company have adequate resources to continue in operation for the foreseeable future. For this reason, they have adopted the going concern basis in the preparation of the financial statements.

2.3 Intangible fixed assets and amortisation

Intangible assets comprise product development, regulatory costs and licences. These are shown at historic costs less provision for amortisation and impairment.

Intangible assets not ready for use are not subject to amortisation and are tested annually for impairment.

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	20% straight line

2.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

INSPIRIT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Accounting policies (continued)

2.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

The deferred tax balance has not been discounted.

3 Critical accounting estimates and judgements

The directors have made key assumptions in the determination of the recoverability of the capitalised development costs.

4 Taxation

	2021 £	2020 £
Domestic current year tax		
U.K. corporation tax	(24,765)	(41,713)
Total current tax	<u>(24,765)</u>	<u>(41,713)</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(26,831)</u>	<u>(35,145)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2020 – 19.00%)	<u>(5,098)</u>	<u>(6,668)</u>
Effects of:		
Capital allowances	-	-
Other tax adjustments	<u>29,863</u>	<u>48,381</u>
	<u>29,863</u>	<u>48,381</u>
Current tax charge for the year	<u>(24,765)</u>	<u>(41,713)</u>

INSPIRIT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Intangible fixed assets

	Development £
Cost	
At 1 July 2020	2,665,637
Additions	107,661
Impairment of Intangible	
At 30 June 2021	2,773,298
Net book value	
At 30 June 2021	2,773,298
At 30 June 2020	2,665,637

6 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2020	81,285	16,986	700	98,971
Additions	-	-	-	-
At 30 June 2021	81,285	16,986	700	98,971
Depreciation				
At 1 July 2020	51,969	11,576	700	64,245
Charge for the year	4,397	871		5,268
At 30 June 2021	56,366	12,447	700	69,513
Net book value				
At 30 June 2021	24,919	4,539	-	29,458
At 30 June 2020	29,315	5,410	-	34,725

INSPIRIT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7 Operating loss	2021	2020
	£	£
Operating loss is stated		
Depreciation of tangible	5,268	6,232
Loss on foreign exchange transactions	-	-
Auditors' remuneration	2,000	2,000

INSPIRIT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Fixed asset investments

	Unlisted investments £
Cost	
At 1 July 2020 & at 30 June 2021	1
Net book value	
At 30 June 2021	1
At 30 June 2020	1

9 Debtors	2021 £	2020 £
Corporation tax	24,962	41,713
Other debtors	4,905	3,507
Prepayments and accrued income	-	-
	<u>29,867</u>	<u>45,220</u>
10 Creditors: amounts falling due within one year	2021 £	2020 £
Trade creditors	25,284	27,728
Amounts owed to parent and fellow subsidiary undertakings	3,046,513	2,961,446
Taxes and social security costs	46,056	33,240
Other creditors	14,387	72,763
	<u>3,132,240</u>	<u>3,095,177</u>

11 Share capital	2021 £	2020 £
Allotted, called up and fully paid		
152,300,000 Ordinary shares of 0.1pence each	15,230	15,230

12 Capital commitments

The Company has no contingent liabilities or capital commitments as at 30 June 2021 or 30 June 2020.

13 Control

The immediate parent company is Inspirit Energy Holdings plc, incorporated in England and Wales. The Company is included within those consolidated financial statements which are publicly available from 2nd Floor, 2 London Wall Buildings, London, EC2M 5PP.

In the opinion of the Directors, Mr J Gunn is the ultimate controlling party.

INSPIRIT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

14 Directors' remuneration	2021	2020
	£	£
Salaries and fees	-	-

Directors were remunerated by the parent company.

Staff costs

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

	2021	2020
	£	£
Amounts being capitalised:		
Salaries and wages	78,750	87,000
Social security costs	11,411	6,624
	<u>90,161</u>	<u>93,624</u>

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2021	2020
	Number	Number
Directors	2	2
Research and development	2	2
	<u>4</u>	<u>54</u>

16 Reserves

Profit and loss account

The profit and loss reserve represents the cumulative profit and losses of the company.

17 Cash and cash equivalents

Cash is represented by cash in hand.

INSPIRIT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Related party relationships and transactions

The remuneration of the Directors, who are the key management personnel of the Company, is set out in Note 14.

Transactions between the parent company and related parties have been disclosed in the Group financial statements of the parent, within Note 23 'Related Party Transactions'.

In accordance with the exemption stated in the FRS 102.331A, the Company has taken advantage not to disclose related party transactions with the ultimate parent company and any of its wholly owned fellow subsidiary undertakings.

19 Events after the Reporting Date

There were no material post year end events