

Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements  
for the Period 1 July 2020 to 31 December 2020  
for  
Distributed Power Holdings Ltd



Distributed Power Holdings Ltd

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for the Period 1 July 2020 to 31 December 2020

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Distributed Power Holdings Ltd

Company Information  
for the Period 1 July 2020 to 31 December 2020

**DIRECTORS:**

R J Quinlan  
K S Gains

**SECRETARY:**

Mrs E Oldroyd

**REGISTERED OFFICE:**

1030 Centre Park  
Slutchers Lane  
Warrington  
WA1 1QL

**REGISTERED NUMBER:**

12011629 (England and Wales)

Distributed Power Holdings Ltd

Group Strategic Report  
for the Period 1 July 2020 to 31 December 2020

The directors present their strategic report of the company and the group for the period 1 July 2020 to 31 December 2020.

The principal activity of Distributed Power Holdings Ltd is to manage a portfolio of Landfill Gas and Coal Mine Methane plants held within its subsidiary companies, as well as provide asset management services both within and outside of the group.

On 21 September 2020 the company acquired via an investment in Capital Dynamics Red Rose Infrastructure LP, Red Rose Infrastructure Ltd, Viridis Energy (Norgen) Ltd, Harworth Power (Generation) Ltd and Velox Power Services 2 Ltd. Between acquisition and December 2020, Harworth Power (Generation) Limited produced 11.6GW<sub>h</sub>s and Viridis Energy (Norgen) Limited produced 37.4GW<sub>h</sub>s of electricity.

The portfolio's 51MW installed capacity is sold under fixed price power purchase agreements) and shorter term market-based sales arrangements for the sale of energy. The projects use a combination of Caterpillar, Perkins, MAN and Jenbacher gas engines, which may be relocated from time to time between sites to match the gas production profile. The portfolio generates from both landfill gas and coal mine methane.

**REVIEW OF BUSINESS**

Group portfolio turnover was £5,338,348 and EBITDA was £22,147. For the period of 21st September to 31st December 2020 the generation was 11.6GW<sub>h</sub>s for Harworth Power (Generation) Limited and 37.4GW<sub>h</sub>s of electricity for Viridis Energy (Norgen) Limited. During this period the assets were running at maximum capacity for available gas volumes.

On acquisition the Group acquired Non current assets of £6,570,784, Current assets of £13,057,025, Current liabilities of £6,142,336 and a Provision for liabilities of £1,615,021.

At year end December 2020 the Group held Gross Assets of £28,261,282 comprising of £14,185,137 of Fixed Assets and £14,076,145 of Current Assets. There are Current Creditors of £25,663,620, Long Term Creditors of £135,986 and Provisions for Liabilities of £3,094,969. This gives Net Liabilities of £633,293.

Long-term site agreements with a series of landfill and coal mine methane operators provide the Company with secure access to fuel supply. The portfolio's capacity is sold under shorter-term market-based sales arrangements which include the sale of energy and UK Renewable Obligation Certificates ('ROC'). The portfolio includes a number of operating landfill and coal mine methane sites for which installation of gas collection infrastructure is on-going.

Distributed Power Holdings Ltd

Group Strategic Report  
for the Period 1 July 2020 to 31 December 2020

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Group's activities expose it to a variety of risks; market risk, counterparty and contractual risk, liquidity risk and regulatory risk. The Company's overall risk management programme focuses on the predictability of revenue and control over operating costs to maximise the financial performance of the Company.

**I. Market Risk**

The Company sells the portfolio's capacity under shorter term market-based sales arrangement which includes the sale of energy and UK renewable obligation certificates and is held across multiple UK electricity suppliers. The market into which the Company sells electricity is supported by government and regulation.

The electricity generated is sold at market related prices which are subject to market fluctuations.

*The Group mitigates the risk of market pricing via daily monitoring of power prices and entering into the longer term power purchase agreements with UK electricity retailers.*

**II. Counterparty and Contractual Risk**

The long-term financial performance of the Company is partially dependent on the creditworthiness of counterparties to power purchase agreements and fuel supply.

The power purchase agreement counterparties are the Non Fossil Purchasing Agency ('NFPA'), NFPA Scotland and two UK electricity suppliers. Long-term fuel supply contracts are in place with a series of landfill and coal mine methane operators.

The Group has no significant concentration of credit risk with respect to fuel supply.

Credit risk is actively managed by the Group;

- ongoing credit evaluation is performed on the financial condition of accounts receivable;
- the terms and conditions under which sales are made are documented; and
- the vast majority of sales are made to investment grade counterparties.

**III. Liquidity Risk (including Cash Flow and Interest Risk)**

The Group's cash requirements are provided by cash generated from the operations and where appropriate, funding for the Company is available from its ultimate parent undertaking, Reserve Power Holdings (Jersey) Limited and within the Group. Interest charges relate to intercompany loan agreements and pertain to historical agreements in place with the previous ultimate parent company Capital Dynamics Red Rose Infrastructure LP and with Distributed Power Holdings Ltd the immediate parent company. Interest rate risk is managed by the Group and by the ultimate parent company, Reserve Power Holdings (Jersey) Ltd.

**IV. Regulatory Risk**

The Group has a dedicated Health, Safety & Environmental personnel through its subsidiary undertaking Velox Power Services (2) Limited whom oversee the Group's management systems. The management systems include risk assessments and annual audits to proactively address key Health, Safety and Environmental issues.

Distributed Power Holdings Ltd

Group Strategic Report  
for the Period 1 July 2020 to 31 December 2020

**METHANE DRAINAGE LICENCE (MDL)**

In respect of Harworth Power (Generation) Ltd, Harworth Estates (HE), the landlord, has successfully applied for a number of methane drainage licences (MDL) post mine closure at the Harworth site from the North Sea Transition Authority (NSTA), (formerly the Oil and Gas authority (the OGA)) and has successfully applied for a MDL post mine closure at the Kellingley site from the NSTA (two year term issued in June 2016, with further MDL's issued until October 2022). However, on making its third application for a renewal at Harworth (after the MDL expired in February 2017), HE has been asked to provide evidence that the MDL is required due to ongoing safety concerns in keeping the mine safe.

HE and Harworth Power (Generation) Limited (HPGL) have together commissioned technical reports and health and safety reports which both demonstrate that there is an ongoing safety issue at Kellingley and Harworth mines due to the volume of gas still being produced by the mine and the proximity of the mine shaft and workings to residential development. The volume of gas at Harworth and Kellingley means the risk of the methane escaping is higher, with the repercussions of such an incident severe.

Further to this, Harworth Estates and the company continue to operate at the Harworth and Kellingley sites under a MDL which expires on 31 May 2023. This latest MDL was issued by NSTA to allow it further time to receive comments and consider the draft technical assessment of the ongoing safety case at Harworth and Kellingley. It is possible that there will be amendments to operating parameters moving forward.

**STRATEGY**

The Company targets long-term investment in projects that generate energy from renewable sources, specifically from landfill gas. Its objective is to invest in and manage a portfolio that delivers sustainable cash flows with long-term growth.

The Company investment in fuels and technologies such as landfill gas power plants, offers a direct response to the significant challenge of reducing greenhouse gas emissions and minimising the potential for climate change.

The Company seeks to invest in and manage its portfolio in such a way so as to provide opportunities to grow earnings through improved operating performance, project expansions and plant enhancements. The Company seeks to capitalise on opportunities arising from the developing markets for environmental credits and create additional value through efficient capital management and implementing further value enhancing investments.

Distributed Power Holdings Ltd

Group Strategic Report  
for the Period 1 July 2020 to 31 December 2020

**KEY PERFORMANCE INDICATORS**

<b>KPI Category</b>	<b>Period Ended 31 December 2020</b>
Health & Safety Compliance	0 reportable incident or near misses

Number of reportable or near misses relating to the operation, development and management of landfill gas and coal mine methane power plants owned by the Group. Includes incidents and near misses reported by third party contractors responsible for operating and maintaining landfill gas and coal mine methane power plants under contract to the Group and third party subcontractors including those engaged to undertake gas collection system construction work on behalf of the Group. During the period there were no reportable incidents.

Environmental & Regulatory Compliance	0 reportable non-compliance
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Number of reportable non-compliances with permit requirements, environmental and regulatory legislation, regulations and guidelines relating to the operation, development and management of landfill gas power plants owned by the Company. Includes non-compliances reported by third party contractors responsible for operating and maintaining the landfill gas power plants under contract to the Company. The target of zero reportable incidents for the year has been achieved.

Net Production	49 GWh
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Units of electricity generated by the portfolio and exported to the local distribution grid. Net production is a function of the installed capacity, unit availability, engine load and site electrical losses. Performance for the year has been impacted by lower and depleting gas production levels.

Revenue	£5,338,348
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Revenues are a function of energy production and the price for each unit of energy output. Energy output is sold through shorter term market-based sales arrangements which include the sale of energy and UK renewable Obligation Certificates (ROCs).

EBITDA	£22,147
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EBITDA means earnings before interest, tax, depreciation and amortisation and exceptional items and is a measure of the free cash flows generated from portfolio operations.

Distributed Power Holdings Ltd


Group Strategic Report  
for the Period 1 July 2020 to 31 December 2020

**FUTURE DEVELOPMENTS**

Average power prices have increased during 2020 and to date, Power prices are forecast to continue to increase as a result of increasing oil and gas prices, continued decommissioning of UK coal plants over the medium term creating a narrow supply margin, and a strengthening of the global economy which is expected to improve the performance of the Company. We acknowledge that the impact of the war in Ukraine brings about uncertainties and may impact prices moving forward.

As a direct consequence of COVID-19 and in light of these less inherent uncertainties, Management has considered the potential impact of COVID-19 on the business (and its ability to continue as a going concern) under various scenarios, this is documented in further detail in the directors' report.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
B58C6C0DEA994B8  
23-Mar-23

K S Gains - Director

23 March 2023



Distributed Power Holdings Ltd

Report of the Directors  
for the Period 1 July 2020 to 31 December 2020

The directors present their report with the financial statements of the company and the group for the period 1 July 2020 to 31 December 2020.

**DIVIDENDS**

No dividends will be distributed for the period ended 31 December 2020.

The loss for the year, after taxation, within the Group equated to £633,294.

**FUTURE DEVELOPMENTS**

In respect of future developments and principal risks and uncertainties please refer to the Strategic Report.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

R J Quinlan  
K S Gains

**DIRECTORS INDEMNITIES**

The directors and officers of the company were insured for the full financial year and up to the date of the approval of the financial statements. The Liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as officers of entities, and any other payments arising from liabilities incurred by officers in connection with such proceedings. This does not include such liabilities that arise from the conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or cause detriment to the company.

**GOING CONCERN**

The Directors have produced cash flow forecasts in association with budgeting which show that the Group can satisfy its financial obligations for at least 12 months from the date of signing these financial statements.

Furthermore, a letter of support from Quinbrook Infrastructure Partners (Jersey) Limited has been obtained which states that the loan will not be recalled for at least 12 months from the signing of the financial statements.

Distributed Power Holdings Ltd

Report of the Directors  
for the Period 1 July 2020 to 31 December 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

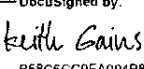
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, RSM UK Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
858C6CC0EA984B8  
23-Mar-23

K S Gains - Director

23 March 2023

Report of the Independent Auditors to the Members of  
Distributed Power Holdings Ltd

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DISTRIBUTED POWER  
HOLDINGS LIMITED**

**Opinion**

We have audited the financial statements of Distributed Power Holdings Limited (the 'parent company') and its subsidiaries (the 'group') which are made up of: Consolidated Income Statement, Consolidated Other Comprehensive Income Statement, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Consolidated Statement of Cash Flows. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 December 2020 and of the group's loss for the year then ended;
- " have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- " 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Report of the Independent Auditors to the Members of  
Distributed Power Holdings Ltd

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.

Opinions 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 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 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 their environment obtained in the course of the audit, we have not identified material misstatements in the 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; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

Auditor's 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 auditor's 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 financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Report of the Independent Auditors to the Members of  
Distributed Power Holdings Ltd

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- " obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;

- " inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- " discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls, other revenue and acquisition accounting as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the acquisition accounting. In addition, testing a sample of transactions to ensure existence of revenue.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [http://www.frc.org.uk/auditors\\_responsibilities](http://www.frc.org.uk/auditors_responsibilities) This description forms part of our auditor's report.

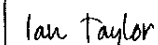
Report of the Independent Auditors to the Members of  
Distributed Power Holdings Ltd

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 auditor's 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.

Ian Taylor (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
14th Floor  
20 Chapel Street  
Liverpool  
L3 9AG

DocuSigned by:



167C3520252E41C  
23-Mar-23

Ian Taylor (Senior Statutory Auditor)

23 March 2023

Distributed Power Holdings LtdConsolidated Income Statement  
for the Period 1 July 2020 to 31 December 2020

		Period 1.7.20 to 31.12.20	Period 22.5.19 to 30.6.20 (Unaudited)
	Notes	£	£
<b>TURNOVER</b>	3	5,338,348	-
Cost of sales		4,984,071	-
<b>GROSS PROFIT</b>		354,277	-
Administrative expenses		740,503	-
		(386,226)	-
Other operating income		12,315	-
<b>OPERATING LOSS</b>	5	(373,911)	-
Interest payable and similar expenses	6	377,165	-
<b>LOSS BEFORE TAXATION</b>		(751,076)	-
Tax on loss	7	(117,782)	-
<b>LOSS FOR THE FINANCIAL PERIOD</b>		(633,294)	-
Loss attributable to: Owners of the parent		(633,294)	-

The notes form part of these financial statements

Distributed Power Holdings Ltd

Consolidated Other Comprehensive Income  
for the Period 1 July 2020 to 31 December 2020

	Period 1.7.20 to 31.12.20	Period 22.5.19 to 30.6.20 (Unaudited)
Notes	£	£
<b>LOSS FOR THE PERIOD</b>	(633,294)	-
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>(633,294)</u>	<u>-</u>
Total comprehensive income attributable to: Owners of the parent	<u>(633,294)</u>	<u>-</u>

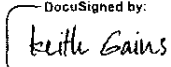
The notes form part of these financial statements



Distributed Power Holdings Ltd (Registered number: 12011629)Consolidated Statement of Financial Position  
31 December 2020

		31.12.20		30.6.20 (Unaudited)	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		7,986,344	-	-
Tangible assets	10		6,198,793	-	-
Investments	11		-	-	-
			<u>14,185,137</u>		<u>-</u>
<b>CURRENT ASSETS</b>					
Stocks	12	633,029	-	-	-
Debtors	13	7,895,304	1	1	-
Cash at bank and in hand		5,547,812	-	-	-
		<u>14,076,145</u>	<u>1</u>		
<b>CREDITORS</b>					
Amounts falling due within one year	14	25,663,620	-	-	-
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(11,587,475)</u>		<u>1</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,597,662</u>		<u>1</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15	(135,986)	-	-	-
<b>PROVISIONS FOR LIABILITIES</b>	17	(3,094,969)	-	-	-
<b>NET (LIABILITIES)/ASSETS</b>			<u>(633,293)</u>		<u>1</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18	1	1	1	1
Retained earnings	19	(633,294)	-	-	-
<b>SHAREHOLDERS' FUNDS</b>			<u>(633,293)</u>		<u>1</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 March 2023 and were signed on its behalf by:

DocuSigned by:  
  
 B58C6CC0EA994B8  
 23-Mar-23

K S Gains - Director

The notes form part of these financial statements

Distributed Power Holdings Ltd (Registered number: 12011629)Company Statement of Financial Position31 December 2020

	Notes	31.12.20		30.6.20	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		19,382,860		-
			<u>19,382,860</u>		<u>-</u>
<b>CURRENT ASSETS</b>					
Debtors	13	159,466		1	
<b>CREDITORS</b>					
Amounts falling due within one year	14	18,598,675		-	
			<u>(18,439,209)</u>		<u>1</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>					
			<u>943,651</u>		<u>1</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>943,651</u>		<u>1</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		1		1
Retained earnings	19		943,650		-
			<u>943,651</u>		<u>1</u>
<b>SHAREHOLDERS' FUNDS</b>					
			<u>943,651</u>		<u>1</u>
Company's profit for the financial year			<u>943,650</u>		<u>-</u>

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

DocuSigned by:

*Keith Gains*

B58C6CC0EA994BB.  
23-Mar-23

.....  
K S Gains - Director

The notes form part of these financial statements

Distributed Power Holdings Ltd

Consolidated Statement of Changes in Equity  
for the Period 1 July 2020 to 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
<b>Changes in equity</b>			
Issue of share capital	1	-	1
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2020</b>	1	-	1
	<hr/>	<hr/>	<hr/>
<b>Changes in equity</b>			
Total comprehensive income	-	(633,294)	(633,294)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2020</b>	1	(633,294)	(633,293)
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

Distributed Power Holdings Ltd

Company Statement of Changes in Equity  
for the Period 1 July 2020 to 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
<b>Changes in equity</b>			
Issue of share capital	1	-	1
<b>Balance at 30 June 2020</b>	<u>1</u>	<u>-</u>	<u>1</u>
<b>Changes in equity</b>			
Total comprehensive income	-	943,650	943,650
<b>Balance at 31 December 2020</b>	<u>1</u>	<u>943,650</u>	<u>943,651</u>

The notes form part of these financial statements

Distributed Power Holdings LtdConsolidated Statement of Cash Flows  
for the Period 1 July 2020 to 31 December 2020

		Period 1.7.20 to 31.12.20	Period 22.5.19 to 30.6.20 (Unaudited)
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	4,188,155	-
Interest paid		(229,119)	-
Net cash from operating activities		<u>3,959,036</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(436,312)	-
Purchase of tangible fixed assets		(348,516)	-
Sale of tangible fixed assets		39,510	-
Acq of subsidiaries net of cash acquired		(14,414,642)	-
Net cash from investing activities		<u>(15,159,960)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Proceeds from group undertakings		18,077,491	-
Loan repayments in year		(1,328,755)	-
Net cash from financing activities		<u>16,748,736</u>	<u>-</u>
<b>Increase in cash and cash equivalents</b>		<u>5,547,812</u>	<u>-</u>
<b>Cash and cash equivalents at beginning of period</b>	2	-	-
<b>Cash and cash equivalents at end of period</b>	2	<u><u>5,547,812</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

Distributed Power Holdings LtdNotes to the Consolidated Statement of Cash Flows  
for the Period 1 July 2020 to 31 December 2020**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 1.7.20 to 31.12.20 £	Period 22.5.19 to 30.6.20 (Unaudited) £
Loss before taxation	(751,076)	-
Depreciation charges	153,127	-
Impairment charges	47,000	-
Provision for slow moving stocks	9,591	-
Provisions movement	1,479,948	-
Amortisation	201,563	-
Finance costs	377,165	-
	<hr/>	<hr/>
	1,517,318	-
(Increase)/decrease in stocks	(10,321)	1
Increase in trade and other debtors	(491,293)	(1)
Increase in trade and other creditors	3,172,451	-
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>4,188,155</b>	<b>-</b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Period ended 31 December 2020**

	31.12.20 £	1.7.20 £
Cash and cash equivalents	5,547,812	-

**Period ended 30 June 2020**

	30.6.20 (Unaudited) £	22.5.19 £

The notes form part of these financial statements

Distributed Power Holdings LtdNotes to the Consolidated Statement of Cash Flows  
for the Period 1 July 2020 to 31 December 2020**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.20 £	Cash flow £	Acquisition £	At 31.12.20 £
<b>Net cash</b>				
Cash at bank and in hand	-	5,547,812	-	5,547,812
	-	5,547,812	-	5,547,812
<b>Debt</b>				
Debts falling due after 1 year	- (18,077,491)	18,077,491	-	-
	- (18,077,491)	18,077,491	-	-
<b>Total</b>	- (12,529,679)	18,077,491	5,547,812	

**4. ACQUISITION OF BUSINESS**

The Company received £18,077,491 from the ultimate parent company, Quinbrook Infrastructure Partners (Jersey) Limited to fund the acquisition of Capital Dynamics Red Rose Infrastructure LP within the year.

The notes form part of these financial statements

Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements  
for the Period 1 July 2020 to 31 December 2020

**1. STATUTORY INFORMATION**

Distributed Power Holdings Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The address of the registered office is 1030 Centre Park, Slutchers Lane, Warrington, WA1 1QL and the company number is 12011629.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006 including the provisions of the large and medium sized companies and groups (Accounts and Reports) Regulations 2008. The financial statements have been prepared under the historical cost convention.

**Reduced disclosure exemptions**

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions for the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

**Basis of consolidation**

The consolidated financial statements include the financial statements of all group companies. All companies are 100% owned subsidiaries of Distributed Power Holdings Ltd.

The consolidated financial statements incorporate the results of these business combinations. In the Balance Sheet, the acquirees identifiable assets and liabilities are recognised at their fair values at the acquisition date. The result of acquired operations are included in the Consolidated Statement of Income and Retained earnings from the date on which control is obtained. Deconsolidation where applicable, is recorded from the date that control is relinquished. All group financial statements are made up to 31 December 2020 and intercompany transactions and balances have been eliminated.



Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The most critical of these accounting judgements and estimates are explained below.

**Estimated Impairment of Investments, Intangible & Tangible Fixed Assets**

The Group tests whether intangible and tangible fixed assets have suffered impairment if triggers are identified. The recoverable amounts of cash-generating unit have been determined based on value in use calculations.

**Decommissioning Provisions**

Decommissioning provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the balance sheet date; with a corresponding balance held in fixed assets. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020

**2. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover represents the value of sales of electricity generated and associated benefits, exclusive of Value Added Tax and trade discounts.

*This includes the sale of electricity and associated renewable energy benefits: (i) electricity delivered to customers is based on actual meter readings and (ii) renewable energy benefits sold to customers are based on actual benefits awarded to the Group by the Office of Gas and Electricity Markets (OFGEM) during the reporting period. The pricing mechanism for Renewable Obligation Certificates (ROCs) includes a recycle value component. ROC recycling turnover is measured at the fair value of the consideration receivable. The Company recognises ROC recycling turnover when the amounts of turnover can be reliably measured and it is probable that future economic benefits will flow to the entity. The amount of turnover is not considered to be reliably measured until the Company delivers the energy output. The Company bases its estimate of the ROC recycle value component on historical results, consulting market specialists and incorporating market information published by OFGEM.*

Other income represents the movement in capital contributions to fixed assets. The contribution is depreciated over the useful life of the asset it relates to and is released to the profit and loss account each month and as a result the liability reduces.

**Intangible assets**

Identifiable intangible assets acquired separately are capitalised at cost and for business combination purposes are capitalised at fair value as at the date of acquisition. Intangible assets are amortised over the remaining term of the underlying site contract. Intangible assets are tested for impairment where an indicator of impairment exists. Where factors, such as technological advancements or changes in market prices, indicate that residual value or useful life have changes, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Goodwill, arising on the acquisition of subsidiary undertakings, representing any excess fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over the useful economic life of the goodwill. Impairment is charged against goodwill when the future economic benefits are less than the carrying value of that goodwill.

Goodwill, acquired in Red Rose Infrastructure Ltd of Viridis Energy (Norgen) Limited and Harworth Power (Generation) Ltd is being amortised over 10 years.

**Intangible assets**

Other intangible assets relate to the consideration paid by the Group for the contractual rights to either sell electricity (under contract) or acquire the fuel required (again under contract) to generate electricity. These intangible assets are amortised over the remaining term of the underlying site contracts. The intangible assets specifically relate to the acquisition of two landfill sites, Lord St Helens and Himley on 9 January 2007. The two landfill site agreements expire on 31 March 2025 and 1 June 2027 respectively and accordingly the intangible assets are amortised over the remaining life of the contracts.

Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets 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.

The estimated useful lives range as follows:

Plant & Machinery - Gas Field Expenditure - Life of the Operating Contract

Plant & Machinery - Decommissioning Costs - Life of the Operating Contract

Plant & Machinery - Moveable Generators - 10 Years & 20 Years

Plant & Machinery - Other Gas Plant - 20 Years

Plant & Machinery -- Other Plant - 5 Years

Assets Under Construction - Not depreciated until asset is available for use

Computer equipment - 3 years

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 amounts and are recognised in the Statement of Income and Retained Earnings.

**Stocks**

Stocks are recorded at the lower of cost or 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.

At each balance sheet date, stocks are assessed for impairment. If the stock is impaired, the carrying amount is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

The Group does not utilise derivative financial instruments. Non-derivative financial instruments comprise investments, trade and other receivables, loans and borrowings, trade and other payables, and provisions. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, they are measured as described below:

- i) Trade and other receivables are carried at original invoice amount less any allowance for uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.
- ii) Interest-bearing loans and borrowings are recognised initially at fair value less attributable transactions costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.
- iii) Trade and other payables are carried at cost.

Accounting policies for borrowings and provisions are given separately below.

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

*Current or deferred taxation assets and liabilities are not discounted.*

*Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.*

**Deferred tax**

*Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.*

*Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.*

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

Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020

**2. ACCOUNTING POLICIES - continued**

**Impairment of assets & goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet 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 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 for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**Foreign currencies**

**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 the Statement of Income and Retained Earnings except where 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 Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains or losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

**FINANCE COSTS**

Finance costs are charged to the Statement of Income and Retained Earnings 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.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020

**2. ACCOUNTING POLICIES - continued**

**Going concern**

The Directors have prepared the financial statements on a going concern basis. The Directors have produced cash flow forecasts and considered current economic conditions and pricing as part of their review. The forecasts show the Company can satisfy its financial obligations for at least 12 months from the date of signing these financial statements. Furthermore, a letter of support from Quinbrook Infrastructure Partners (Jersey) Limited has been obtained which states that the loan will not be recalled for at least 12 months from the signing of the financial statements.

**Other accounting policies**

**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.

**Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with significant risk of change in value.

**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.

**Provisions for Liabilities**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, if it is probable that economic resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Decommissioning provisions are recognised when the power plant becomes operational and measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the balance sheet date; with a corresponding balance held in fixed assets. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as a finance cost.

**Fixed Asset Investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in profit or loss.

**Equity**

Financial instruments classified as equity instruments are recorded at fair value of the cash or other resources received or receivable, net of transactions costs.

**Dividends**

Dividend distribution to the Group's shareholders is recognised in the financial statements in the period in which the dividends are approved by the directors.

Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business for the period ended 31 December 2020 is given below:

	£
Generation	5,338,348
	<u>5,338,348</u>

This analysis is not considered to be applicable to the period ended 30 June 2020.

**4. EMPLOYEES AND DIRECTORS**

	Period 1.7.20 to 31.12.20 £	Period 22.5.19 to 30.6.20 (Unaudited) £
Wages and salaries	804,012	-
Social security costs	82,052	-
Other pension costs	40,382	-
	<u>926,446</u>	<u>-</u>

The average number of employees during the period was NIL (2020 - NIL).

The average number of employees by undertakings that were proportionately consolidated during the period was 55 (2020 - NIL).

	Period 1.7.20 to 31.12.20 £	Period 22.5.19 to 30.6.20 (Unaudited) £
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

Key Management Personnel compensation / remuneration for the year equated to £nil (2020 £Nil). Directors' remuneration is borne by a fellow group undertaking.

Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**5. OPERATING LOSS**

The operating loss is stated after charging:

	Period 1.7.20 to 31.12.20 £	Period 22.5.19 to 30.6.20 (Unaudited) £
Hire of plant and machinery	65,657	-
Other operating leases	22,049	-
Depreciation - owned assets	153,128	-
Goodwill amortisation	181,768	-
Other intangible amortisation	19,796	-
	<u>          </u>	<u>          </u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1.7.20 to 31.12.20 £	Period 22.5.19 to 30.6.20 (Unaudited) £
Decommissioning unwinding	19,458	-
Interest payable to group	357,707	-
	<u>          </u>	<u>          </u>
	<u>377,165</u>	<u>-</u>

**7. TAXATION****Analysis of the tax credit**

The tax credit on the loss for the period was as follows:

	Period 1.7.20 to 31.12.20 £	Period 22.5.19 to 30.6.20 (Unaudited) £
Current tax:		
UK corporation tax	(34,556)	-
Deferred tax	(83,226)	-
Tax on loss	<u>(117,782)</u>	<u>-</u>



Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**7. TAXATION - continued****Reconciliation of total tax credit included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK.  
The difference is explained below:

	Period 1.7.20 to 31.12.20 £
Loss before tax	(751,076)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(142,704)
Effects of:	
Expenses not deductible for tax purposes	37,412
Adjustments to tax charge in respect of previous periods	(34,557)
Losses carried back	34,557
Other differences	(12,490)
Total tax credit	(117,782)

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**9. INTANGIBLE FIXED ASSETS****Group**

	Goodwill £	Other intangible £	Totals £
<b>COST</b>			
Additions	7,707,040	480,868	8,187,908
At 31 December 2020	7,707,040	480,868	8,187,908
<b>AMORTISATION</b>			
Amortisation for period	181,768	19,796	201,564
At 31 December 2020	181,768	19,796	201,564
<b>NET BOOK VALUE</b>			
At 31 December 2020	7,525,272	461,072	7,986,344

Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**9. INTANGIBLE FIXED ASSETS - continued****Group**

The additions above are split as follows:

	Goodwill	Other intangible	Total
Additions - business combinations	7,707,040	480,868	<b>8,187,908</b>
Total per accounts	<b><u>7,707,040</u></b>	<b><u>480,868</u></b>	<b><u>8,187,908</u></b>

**10. TANGIBLE FIXED ASSETS****Group**

	Plant and machinery £	Assets under construction £	Computer equipment £	Totals £
<b>COST</b>				
Additions	5,712,215	699,678	26,538	6,438,431
Disposals	(39,510)	-	-	(39,510)
Impairments	(47,000)	-	-	(47,000)
At 31 December 2020	<u>5,625,705</u>	<u>699,678</u>	<u>26,538</u>	<u>6,351,921</u>
<b>DEPRECIATION</b>				
Charge for period	151,255	-	1,873	153,128
At 31 December 2020	<u>151,255</u>	<u>-</u>	<u>1,873</u>	<u>153,128</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u><u>5,474,450</u></u>	<u><u>699,678</u></u>	<u><u>24,665</u></u>	<u><u>6,198,793</u></u>

Within the disposals £39,510 represents an adjustment to the decommissioning provisions in Harworth Power (Generation) Limited and Viridis Energy (Norgen) Limited.

The additions in the above table are split as follows:

	Plant and Machinery	Assets under Construction	Computer equipment	Total
Additions - business combinations	5,530,414	549,628	9,873	<b>6,089,915</b>
Additions - acquired separately	181,801	150,050	16,665	<b>348,516</b>
Total per accounts	<b><u>5,712,215</u></b>	<b><u>699,678</u></b>	<b><u>26,538</u></b>	<b><u>6,438,431</u></b>

Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**11. FIXED ASSET INVESTMENTS**

	<b>Company</b>	
	31.12.20	30.6.20
	£	£
Shares in group undertakings	1,702,746	-
Loans to group undertakings	17,680,114	-
	<u>19,382,860</u>	<u>-</u>

Additional information is as follows:

**Company**

	Shares in group undertakings £
<b>COST</b>	
Additions	1,702,746
At 31 December 2020	<u>1,702,746</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>1,702,746</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries****Red Rose Infrastructure Ltd**

Registered office: 1030 Centre Park, Slutchers Lane, Warrington, England WA1 1QL

Nature of business: Holding Company

	%
Class of shares:	holding
Ordinary	100.00

**Velox Power Services 2 Ltd**

Registered office: 1030 Centre Park, Slutchers Lane, Warrington, England WA1 1QL

Nature of business: Asset Management Services

	%
Class of shares:	holding
Ordinary	100.00

**Viridis Energy (Norgen) Ltd**

Registered office: 1030 Centre Park, Slutchers Lane, Warrington, England WA1 1QL

Nature of business: Power Generation

	%
Class of shares:	holding
Ordinary	100.00

Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**11. FIXED ASSET INVESTMENTS - continued****Harworth Power (Generation) Ltd**

Registered office: 1030 Centre Park, Slutchers Lane, Warrington, England WA1 1QL

Nature of business: Power Generation

Class of shares:	%
Ordinary	holding 100.00

**Capital Dynamics Red Rose Infrastructure LP**

Within the year, Distributed Power Holdings Limited acquired Capital Dynamics Red Rose Infrastructure LP. Capital Dynamics Red Rose Infrastructure LP was subsequently dissolved once the acquisition was completed.

**Parent company guarantee**

The subsidiary companies, Harworth Power (Generation) Limited, Viridis Energy (Norgen) Limited, Red Rose Infrastructure Limited and Velox Power Services (2) Limited, have taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirement in the Act for their individual accounts to be audited. The guarantee given by the Company under section 479A of the Act is disclosed in note 26.

**Company**

	Loans to group undertakings £
New in year	17,680,114
At 31 December 2020	<u>17,680,114</u>

**12. STOCKS**

	Group 31.12.20	30.6.20 (Unaudited)
	£	£
Spare parts & lubricants	<u>633,029</u>	<u>-</u>

The amount of stocks recognised as an expense during the year was £999,151.

Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.20	30.6.20 (Unaudited)	31.12.20	30.6.20
	£	£	£	£
Trade debtors	2,956,306	-	-	-
Amounts owed by associates	28,729	-	-	-
Other debtors	233,975	1	1	1
Deferred tax asset	252,110	-	-	-
Prepayments and accrued income	4,424,184	-	159,465	-
	<u>7,895,304</u>	<u>1</u>	<u>159,466</u>	<u>1</u>

## Deferred tax asset

	<b>Group</b>		<b>Company</b>	
	31.12.20	30.6.20 (Unaudited)	31.12.20	30.6.20
	£	£	£	£
Accelerated capital allowances	<u>252,110</u>	<u>-</u>	<u>-</u>	<u>-</u>

Trade Debtors are stated after provisions for impairment of £Nil.

Amounts owed by other related entities are due within one year, are non-interest bearing, have no fixed repayment date and are repayable on demand. The balance owed by other related entities at 31 December 2020 was £28,729.

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.20	30.6.20 (Unaudited)	31.12.20	30.6.20
	£	£	£	£
Trade creditors	1,126,376	-	-	-
Amounts owed to group undertakings	16,877,325	-	16,877,325	-
Tax	480,117	-	221,350	-
Social security and other taxes	989,153	-	-	-
Other creditors	1,534,453	-	1,500,000	-
Accruals and deferred income	4,656,196	-	-	-
	<u>25,663,620</u>	<u>-</u>	<u>18,598,675</u>	<u>-</u>

At the Balance Sheet date Distributed Power Holdings Ltd owed the ultimate parent company (via the Fund) Reserve Power Holdings (Jersey) Ltd £16,877,325. Under the terms of the loan agreement, interest is charged at a rate of 7.6%, is charged on a quarterly basis, is unsecured and is repayable upon demand. Interest is charged to the profit & loss account and is held in the Balance Sheet under Accruals & Deferred Income until paid.

Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	31.12.20	30.6.20 (Unaudited)
	£	£
Accruals and deferred income	135,986	-

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Non-cancellable operating leases</b>	
	31.12.20	30.6.20 (Unaudited)
	£	£
Within one year	365,000	-
Between one and five years	470,000	-
In more than five years	484,000	-
	1,319,000	-

**17. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	31.12.20	30.6.20 (Unaudited)
	£	£
Other provisions		
Other provisions	1,500,000	-
Decommissioning provision	1,594,969	-
	3,094,969	-
Aggregate amounts	3,094,969	-

**Group**

	Deferred tax £	Other provisions £
(Credit)/charge to Income Statement during period	(172,960)	1,539,704
Recognised on acquisition - DP	-	1,555,265
Recognised on acquisition - DT	(79,150)	-
Balance at 31 December 2020	(252,110)	3,094,969

Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**17. PROVISIONS FOR LIABILITIES - continued**

In the year ended December 2020 we have recognised provisions of £1,539,704. £1.5 million provision has been recognised for legal provision with the remaining £39,704 recognised on decommissioning, this arises from the unwinding, the Decommissioning provision policy has been stated under section 2 Accounting policies.

On acquisition a balance of £1,555,265 was recognised for the Decommissioning provisions (DP) within Viridis Energy (Norgen) Limited and Harworth Power (Generation) Limited.

**18. CALLED UP SHARE CAPITAL**

Allotted and issued:		Nominal value:	31.12.20 £	30.6.20 £
Number:	Class:			
1	Share capital - ordinary share	£1	<u>1</u>	<u>1</u>

**19. RESERVES****Group**

	Retained earnings £
Deficit for the period	<u>(633,294)</u>
At 31 December 2020	<u><u>(633,294)</u></u>

**Company**

	Retained earnings £
Profit for the period	<u>943,650</u>
At 31 December 2020	<u><u>943,650</u></u>

Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020

**20. RELATED PARTY DISCLOSURES**

Distributed Power Holdings Ltd (and ultimately Reserve Power Holdings (Jersey) Ltd) provides the Group with loan facilities. Interest has been accrued for and is reflected in the financial statements in the Balance Sheet under Accruals and Deferred Income until paid. At 31 December 2020 the balance on the loan outstanding to Reserve Power (Holdings) Ltd was £16,877,325. The unpaid accrued interest at December 2020 is £128,588.13.

As at 31 December 2020 amounts due to Distributed Power Holdings Ltd from its subsidiaries within the group were £17,680,114.

Amounts due from associated companies to Distributed Power Holdings Ltd related to subsidiary companies of Velox Power Ltd and were payments made on behalf of the subsidiaries for day to day operational expenses. As at 31 December 2020 the balance owed to the Group by associated companies was £28,729.

Reserve Power Holdings (Jersey) Ltd (incorporated in Jersey) is regarded by the directors as being the company's ultimate parent company.

**21. ULTIMATE CONTROLLING PARTY**

The immediate parent company and immediate controlling party is Distributed Power Holdings Ltd. The ultimate controlling party is Reserve Power Holdings (Jersey) Ltd, a company registered in Jersey under company number 124731.

Distributed Power Holdings Ltd is the largest parent undertaking to consolidate the financial statements at 31 December 2020. Distributed Power Holdings Ltd is the only company to consolidate the Company's financial statements.



Distributed Power Holdings LtdNotes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020**22. ACQUISITION WITHIN THE YEAR**

On 21 September 2020 Distributed Power Holdings Limited (DPHL) acquired Lancashire County Pension Fund's interest in Capital Dynamics Red Rose Infrastructure Partners LP (CDRRILP) for £18,799,898.

	CDRRILP book value 21 Sep 2020
<b>Non current assets</b>	
Intangible assets	480,868
Tangible fixed assets	6,089,916
<b>Current assets</b>	
Trade debtors	1,856,773
Accrued income	4,504,523
Prepayments & other debtors	306,928
Stock	632,299
Bank & cash	5,162,849
Deferred tax	90,925
Related party balances	502,727
<b>Current liabilities</b>	
Trade creditors	(714,283)
VAT	(503,589)
Accruals	(4,488,152)
Corporation tax	(436,312)
	<b>13,485,472</b>
<b>Provisions for liabilities</b>	
Decommissioning provision	(1,615,021)
<b>Total identifiable net assets</b>	<b>11,870,451</b>
Goodwill	7,707,040
<b>Total consideration</b>	<b><u>19,577,491</u></b>
<i>The consideration was satisfied by:</i>	
Cash	17,299,898
Deferred consideration	1,500,000
Professional fees	777,593
	<b><u>19,577,491</u></b>

**23. POST BALANCE SHEET EVENTS**

The deferred consideration of £1.5 million was settled in February 2022 at £375,732.

Distributed Power Holdings Ltd

Notes to the Consolidated Financial Statements - continued  
for the Period 1 July 2020 to 31 December 2020

**24. SHARE CAPITAL TERMS**

The company's ordinary shares, have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**25. ROYALTY AGREEMENTS**

For the landfill gas sites within Viridis Energy (Norgen) Limited there are gas royalty agreements with the land owners whereby an agreed percentage of the generation is paid over to them.

**26. CONTINGENT LIABILITIES**

In order for the subsidiary companies, Harworth Power (Generation) Limited, Viridis Energy (Norgen) Limited, Red Rose Infrastructure Limited and Velox Power Services (2) Limited, to take the audit exemption in section 479A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2020 until those liabilities are satisfied in full.

**27. AUDITORS REMUNERATION**

The auditors remuneration for the period was £32,500.