

**Registered number: 09128547**

**Clyne Power Limited**

**Unaudited**

**Directors' report and financial statements  
for the year ended 30 June 2021**

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# **Clyne Power Limited**

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# **Clyne Power Limited**

## **Company Information**

<b>Directors</b>	Dr M J Bullard P S Latham
<b>Company secretary</b>	Octopus Company Secretarial Services Limited
<b>Registered number</b>	09128547
<b>Registered office</b>	6th Floor 33 Holborn London, England EC1N 2HT

# **Clyne Power Limited**

## **Directors' report for the year ended 30 June 2021**

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

### **Principal activities**

The company's principal activity during the financial year was that of the operation of reserve power plants.

### **Going concern**

The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent trading of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

### **Brexit**

The UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement". The directors have considered the impact on the company regarding the agreed exit terms within the agreement and wider regulatory and legal implications within these statutory financial statements and will continue to do so.

### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

Dr M J Bullard

P S Latham (appointed 21 April 2021)

OCS Services Limited (resigned 30 July 2020, reappointed 13 November 2020, resigned 21 April 2021)

M G Setchell (appointed 30 July 2020, resigned 21 April 2021)

# **Clyne Power Limited**

## **Directors' report (continued) for the year ended 30 June 2021**

### **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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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;
- state whether applicable United Kingdom Accounting Standards, comprising the FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

### **Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

### **Audit exemption**

The directors consider that the company is entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006. Under the provisions of section 479C of the Companies Act 2006, Fern Trading Limited, the ultimate parent company, has given a statutory guarantee of all outstanding liabilities to which the company is subject at 30 June 2021.

### **Small company exemption**

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

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on 23 February 2022

and signed on its behalf.



**P S Latham**  
Director

## Clyne Power Limited

### Statement of income and retained earnings for the year ended 30 June 2021

	2021 £	2020 £
Turnover	1,855,710	759,297
Cost of sales	(1,155,245)	(1,054,915)
<b>Gross profit/(loss)</b>	<b>700,465</b>	<b>(295,618)</b>
Administrative expenses	(188,933)	(331,749)
Other operating income	8,578,409	-
<b>Operating profit/(loss)</b>	<b>9,089,941</b>	<b>(627,367)</b>
Interest payable and similar charges	(1,009,582)	(1,086,953)
<b>Profit/loss on ordinary activities before tax</b>	<b>8,080,359</b>	<b>(1,714,320)</b>
Tax on profit/loss on ordinary activities	-	-
<b>Profit/(loss) for the financial year</b>	<b>8,080,359</b>	<b>(1,714,320)</b>
Retained earnings at the beginning of the year	(5,453,354)	(3,739,034)
Profit/(loss) for the financial year	8,080,359	(1,714,320)
<b>Retained earnings at the end of the year</b>	<b>2,627,005</b>	<b>(5,453,354)</b>

All amounts above relate to continuing operations.

The company has no items of other comprehensive income for the current or preceding financial year. Therefore no separate statement of other comprehensive income has been presented.

The notes on pages 6 to 12 form part of these financial statements.

## Balance sheet as at 30 June 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	5		7,993,200		8,593,797
<b>Current assets</b>					
Debtors	6	376,381		127,785	
Cash at bank and in hand		686,657		1,000,083	
		<u>1,063,038</u>		<u>1,127,868</u>	
Creditors: amounts falling due within one year	7	(6,429,232)		(15,175,018)	
<b>Net current liabilities</b>			<u>(5,366,194)</u>		<u>(14,047,150)</u>
<b>Total assets less current liabilities</b>			<u>2,627,006</u>		<u>(5,453,353)</u>
<b>Net assets/(liabilities)</b>			<u>2,627,006</u>		<u>(5,453,353)</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Accumulated profit/(losses)			2,627,005		(5,453,354)
<b>Total shareholders' surplus/(deficit)</b>			<u>2,627,006</u>		<u>(5,453,353)</u>

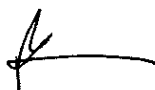
For the year ended 30 June 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2022



**P S Latham**  
Director

The notes on pages 6 to 12 form part of these financial statements.

# **Clyne Power Limited**

## **Notes to the financial statements for the year ended 30 June 2021**

### **1. General information**

Clyne Power Limited is a private company, limited by shares, incorporated in and domiciled in the United Kingdom, registered number: 09128547. The registered office is 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The company's principal activity during the financial year was that of the operation of reserve power plants.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance 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 areas involving a higher degree of judgement complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The company's functional and presentation currency is the pound sterling.

The following principal accounting policies have been applied:

#### **2.2 Exemptions for qualifying entities under FRS 102**

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

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

#### **2.3 Going concern**

The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent trading of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

#### **2.4 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 derived from the electricity generated by reserve power plants and is recognised on an accruals basis in the period in which it is generated.



# Clyne Power Limited

## Notes to the financial statements for the year ended 30 June 2021

### 2. Accounting policies (continued)

#### 2.5 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.6 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of income and retained earnings. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Long-term leasehold property	- over the period of the lease
Plant and machinery	- 4% and 10% straight-line

#### 2.7 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of income and retained earnings, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of income and retained earnings.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and retained earnings.

## **Clyne Power Limited**

### **Notes to the financial statements for the year ended 30 June 2021**

#### **2. Accounting policies (continued)**

##### **2.8 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 insignificant risk of change in value.

##### **2.9 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **2.10 Operating leases**

Rentals under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the lease term.

##### **2.11 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

###### *(i) Current tax*

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

###### *(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

# Clyne Power Limited

## Notes to the financial statements for the year ended 30 June 2021

### 2. Accounting policies (continued)

#### 2.12 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of income and retained earnings. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### 2.13 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

### 3. Critical accounting judgements and estimation uncertainty

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

#### (a) Critical judgements in applying the entity's accounting policies

The company has not made any critical judgements in applying the entity's accounting policies.

#### (b) Critical accounting estimates and assumptions

##### *(i) Impairment of tangible assets*

The company makes an estimate of the recoverable value of tangible assets.

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of income and retained earnings.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and retained earnings.

See note 5 for the net carrying amount of tangible assets and associated impairment provision.

## Clyne Power Limited

### Notes to the financial statements for the year ended 30 June 2021

#### 4. Employees and directors' remuneration

The company had no employees during the year (2020: none). The directors did not receive or waive any remuneration (2020: £nil).

#### 5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 July 2020	235,832	10,005,647	10,241,479
Disposals	-	(300,000)	(300,000)
At 30 June 2021	<u>235,832</u>	<u>9,705,647</u>	<u>9,941,479</u>
<b>Accumulated depreciation</b>			
At 1 July 2020	-	1,647,682	1,647,682
Charge for the year	-	349,079	349,079
Disposals	-	(48,482)	(48,482)
At 30 June 2021	<u>-</u>	<u>1,948,279</u>	<u>1,948,279</u>
<b>Net book value</b>			
At 30 June 2021	<u>235,832</u>	<u>7,757,368</u>	<u>7,993,200</u>
At 30 June 2020	<u>235,832</u>	<u>8,357,965</u>	<u>8,593,797</u>

#### 6. Debtors

	2021 £	2020 £
Trade debtors	10,929	5,244
Amounts owed by group undertakings	-	8,226
Other debtors	39,801	1
Prepayments and accrued income	325,651	114,314
	<u>376,381</u>	<u>127,785</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

## Clyne Power Limited

### Notes to the financial statements for the year ended 30 June 2021

#### 7. Creditors: amounts falling due within one year

	2021 £	2020 £
Debenture loans	-	6,384,609
Bank loans and overdrafts	-	57
Trade creditors	58,355	147,186
Amounts owed to group undertakings	5,848,647	4,746,309
Other creditors	-	43,898
Accruals and deferred income	522,230	3,852,959
	<b>6,429,232</b>	<b>15,175,018</b>

Included within bank loans and overdrafts is an amount of £nil (2020: £57) which is secured by fixed and floating charge over the assets of the company.

Included within are debenture loans is an amount of nil (2020: £6,384,609) which is secured by a fixed and floating charge over the assets of the company. The loan bears interest at 10% + 3M Libor (2020: 10% + 3M Libor). The loan was terminated as part of the acquisition by The Fern Power Company Limited. As part of the acquisition £1,531,8045 was waived during the year and is included within the other operating income in the statement of comprehensive income.

Included within amounts owed to group undertakings are unsecured loans with year end balances totalling £5,848,647 (2020: £4,746,309) of which £5,809,348 (2020: £4,746,309) bears interest at 7.5% (2020: 8.5%) and £39,299 (2020: £nil) is interest free. The loan with the previous shareholder was fully waived as part of the acquisition by The Fern Power Company Limited. As part of the acquisition £4,746,309 was waived during the year and is included within the other operating income in the statement of comprehensive income.

Included within accruals and deferred income are amounts of £nil (2020: £853,059) relating to interest payable on the debenture loan and £83,559 (2020: £1,902,230) relating to interest payable on the amounts owed to group undertakings. As part of the acquisition £2,228,295 was waived during the year and is included within the other operating income in the statement of comprehensive income.

#### 8. Called up share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
100 (2020: 90) Ordinary shares of £0.01	1	1
Nil (2020: 10) Deferred shares of £0.01	-	-
	<b>1</b>	<b>1</b>

## **Clyne Power Limited**

### **Notes to the financial statements for the year ended 30 June 2021**

#### **9. Related party transactions**

The company has identified the following transactions which are to be disclosed under the terms of FRS 102 "Related party transactions".

##### **Octopus Investments Limited**

During the year, the company was charged expenses of £21,516 (2020: £75,059) by Octopus Investments Limited, a related party due to its significant influence over the company. At the year end, an amount of £12,152 (2020: £91,226), was outstanding and included within creditors.

##### **Terido LLP**

The company has received a loan and debenture facility from Terido LLP, a related party due to its significant influence over the company. During the year, the company was charged interest and non-utilisation fees of £598,886 (2020: £681,219). At the year end, a balance of £nil (2020: £7,237,668), was outstanding and included within creditors.

#### **10. Ultimate parent undertaking and controlling party**

The company's immediate parent undertaking until 21 April 2021 was Catria Limited. From this date The Fern Power Company Limited is the immediate parent undertaking.

The ultimate parent undertaking as at the year ended 30 June 2021 was Fern Trading Limited, a company incorporated in the United Kingdom. Fern Trading Limited is the largest group of undertakings to consolidate these financial statements. Copies of Fern Trading Limited's consolidated financial statements can be obtained from the Company Secretary at 6th Floor, 33 Holborn, London, EC1N 2HT.