

Company number: 09415417

Redlake Power Limited

**Annual report and unaudited financial statements
For the year ended 30 June 2023**

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Redlake Power Limited

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Redlake Power Limited

Company information

Directors	Dr Michael John Bullard Edward William Fellows
Company secretary	Octopus Company Secretarial Services Limited
Company number	09415417
Registered office	6th Floor 33 Holborn London England EC1N 2HT

Redlake Power Limited

Directors' report for the year ended 30 June 2023

The directors present their report and the unaudited financial statements of Redlake Power Limited (the "Company") for the year ended 30 June 2023.

Principal activities

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

Results and dividends

The profit for the year amounted to £205,572 (2022: loss of £596,119) and at the year end the Company had net liabilities of £4,268,263 (2022: £4,473,835).

No dividend was paid during the year (2022: £nil).

Future developments

The directors do not expect any change in the Company's activities during the next financial year.

Going concern

The directors recognise the financial situation of the Company evidenced by net deficit in the shareholder's funds of £4,268,263 (2022: £4,473,835).

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the Company and revised projections, the above events are not expected to have a detrimental 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 negative impact of these events.

Directors of the Company

The directors who served during the financial year ended 30 June 2023 and up to the date of signing the financial statements, unless otherwise indicated, are given below:

Dr Michael John Bullard
Edward William Fellows (appointed on 11 January 2023)
Paul Stephen Latham (resigned on 11 January 2023)

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.

Redlake Power Limited

Directors' report for the year ended 30 June 2023 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements of the Company 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 United Kingdom 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 the 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; 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Audit exemption

The directors consider that the Company is entitled to an 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 the outstanding liabilities to which the Company is subject to as at 30 June 2023.

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.

Events since the Balance sheet date

There have been no material adjusting or disclosable events since the financial year end.

This report was approved by the Board on 10 January 2024 and signed on its behalf by:



Edward William Fellows
Director

Redlake Power Limited

Statement of income and retained earnings for the year ended 30 June 2023

	2023 £	2022 £
Turnover	6,097,315	4,689,201
Cost of sales	(5,080,958)	(3,728,324)
Gross profit	1,016,357	960,877
Administrative expenses	(209,389)	(254,093)
Operating profit	806,968	706,784
Interest payable and similar expenses	(803,460)	(803,714)
Profit/(loss) on ordinary activities before taxation	3,508	(96,930)
Taxation	202,064	(499,189)
Profit/(loss) for the financial year	205,572	(596,119)
Retained losses at the beginning of the year	(4,473,836)	(3,877,717)
Profit/(loss) for the financial year	205,572	(596,119)
Retained losses at the end of the year	(4,268,264)	(4,473,836)

All activities of the Company are from 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 14 form an integral part of these financial statements.

Balance sheet
as at 30 June 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	6,318,963	6,616,712
Current assets			
Debtors (including amounts falling due after one year)	6	641,360	748,568
Cash at bank and in hand		654,472	1,024,817
		<u>1,295,832</u>	<u>1,773,385</u>
Creditors: amounts falling due within one year	7	<u>(11,704,165)</u>	<u>(12,693,968)</u>
Net current liabilities		<u>(10,408,333)</u>	<u>(10,920,583)</u>
Total assets less current liabilities		<u>(4,089,370)</u>	<u>(4,303,871)</u>
Deferred tax liability	8	(178,893)	(169,964)
Net liabilities		<u>(4,268,263)</u>	<u>(4,473,835)</u>
Capital and reserves			
Called-up share capital	9	1	1
Profit and loss account		(4,268,264)	(4,473,836)
Total shareholder's deficit		<u>(4,268,263)</u>	<u>(4,473,835)</u>

For the year ended 30 June 2023, the Company was entitled to an 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 and delivered 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 10 January 2024.



Edward William Fellows
Director

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

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023

1. General information

Redlake Power Limited is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom, company number: 09415417. The registered office is at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The principal activity of the Company is 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 United Kingdom 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 following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the Company and revised projections, the above events are not expected to have a detrimental 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 negative impact of these events.

2.3 Statement of cash flow

The entity has availed exemption in accordance with section 1A of FRS 102 from preparation and presentation of Statement of cash flow.

2.4 Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling and all values are rounded to the nearest pound sterling (£).

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.4 Foreign currency (continued)

(ii) 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 within administrative expenses.

2.5 Turnover

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 accrual basis in the period in which it is generated.

2.6 Interest expense

Interest expense is charged to the Statement of income and retained earnings over the term of the debt using the effective interest rate 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.

2.7 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use and an estimate of the cost of dismantling and removing the item, and restoring the site if required.

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 assets are derecognised at the earliest of the date of disposal or at the point where 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.

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.7 Tangible assets (continued)

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 land	No depreciation
Other long-term leasehold properties	4% straight line
Plant and machinery	4% straight line

2.8 Impairment of non-financial assets

At each reporting date non-financial assets 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 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.

2.9 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.

2.10 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.

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.11 Taxation (continued)

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 except for certain exceptions. 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.

2.12 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of income and retained earnings.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised.

The impairment reversal is recognised in the Statement of income and retained earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.12 Financial instruments (continued)

(ii) Financial liabilities

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 in 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset, and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

The preparation of financial statements in compliance with FRS 102 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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 Company's accounting policies

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

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

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

(b) Critical accounting estimates and assumptions

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.

4. Employees and directors' remuneration

The Company had no employees during the year (2022: none). The directors did not receive or waive any remuneration during the year (2022: £nil).

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

5. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 July 2022	17,477	8,782,634	8,800,111
Additions	-	14,160	14,160
At 30 June 2023	17,477	8,796,794	8,814,271
Accumulated depreciation			
At 1 July 2022	-	2,183,399	2,183,399
Charge during the financial year	605	311,304	311,909
Transfer	4,315	(4,315)	-
At 30 June 2023	4,920	2,490,388	2,495,308
Net book value			
At 30 June 2023	12,557	6,306,406	6,318,963
At 30 June 2022	17,477	6,599,235	6,616,712

During the year, there has been transfer of balances between plant and machinery and long-term leasehold property pertaining to accumulated depreciation.

6. Debtors

	2023 £	2022 £
Trade debtors	47,810	153,788
Amounts owed by group undertakings	210,993	-
Prepayments and accrued income	340,057	552,280
Other debtors	42,500	42,500
	641,360	748,568

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

Other debtors consists of rent deposits amounting to £42,500 (2022: £42,500) falling due after more than one year.

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

7. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	58,123	40,576
Amounts owed to group undertakings	10,703,196	10,705,174
Accruals and deferred income	924,825	1,829,826
Other creditors	18,021	118,392
	<u>11,704,165</u>	<u>12,693,968</u>

Amounts owed to group undertakings are unsecured loans with year end balances amounting to £10,703,196 (2022: £10,705,714) of which £10,699,552 (2022: £10,699,552) bears interest at 7.5% (2022: 7.5%) and £3,644 (2022: £5,622) is interest free. The loans are repayable on demand.

Included within accruals and deferred income are amounts of £599,606 (2022: £1,359,096) relating to interest payable on the unsecured loans.

8. Deferred tax liability

	2023 £	2022 £
At 1 July 2022/2021	169,964	-
Charge to Statement of income and retained earnings	8,929	169,964
	<u>178,893</u>	<u>169,964</u>
At 30 June 2023/2022		

The deferred tax liability is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	611,791	499,539
Losses	(432,898)	(329,575)
	<u>178,893</u>	<u>169,964</u>

9. Called-up share capital

	2023 £	2022 £
Allotted, called-up and fully paid		
90 (2022: 90) Ordinary shares of £0.01 each	1	1
10 (2022: 10) Deferred shares of £0.01 each	-	-
	<u>1</u>	<u>1</u>

Redlake Power Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

9. Called-up share capital (continued)

The deferred shares confer no right to a dividend or other distribution of the profits of the Company and no voting rights.

10. Operating lease commitments

For the year ended 30 June, the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Payment due:		
Not later than one year	85,000	85,000
Later than one year and not later than five years	340,000	340,000
Later than five years	1,458,274	1,543,274
	<u>1,883,274</u>	<u>1,968,274</u>

Lease arrangements relates to land on which reserve power sites are built.

11. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that as at the year ended 30 June 2023 it was a wholly owned subsidiary.

12. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is The Fern Power Company Limited, a company incorporated in England, the United Kingdom.

Cedar Energy and Infrastructure Limited is the smallest group to consolidate these financial statements. Its registered office address is 33 Holborn, London, England, EC1N 2HT.

The Company's ultimate parent undertaking as at the year ended 30 June 2023 was Fern Trading Limited, a company incorporated in England, 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, England, EC1N 2HT.

13. Events since the Balance sheet date

There have been no material adjusting or disclosable events since the financial year end.