

R100 ENERGY LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	11,189,344	<i>12,108,144</i>
		11,189,344	<i>12,108,144</i>
Current assets			
Debtors: amounts falling due within one year	6	1,883,887	<i>1,798,580</i>
Cash at bank and in hand	7	666,885	<i>80,471</i>
		2,550,772	<i>1,879,051</i>
Creditors: amounts falling due within one year	8	(4,377,624)	<i>(15,898,369)</i>
Net current liabilities		(1,826,852)	<i>(14,019,318)</i>
Total assets less current liabilities		9,362,492	<i>(1,911,174)</i>
Creditors: amounts falling due after more than one year	9	(13,553,660)	-
Net liabilities		(4,191,168)	<i>(1,911,174)</i>
Capital and reserves			
Called up share capital	10	100	<i>100</i>
Profit and loss account		(4,191,268)	<i>(1,911,274)</i>
		(4,191,168)	<i>(1,911,174)</i>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with 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 29 September 2022.

A Parr
Director

The notes on pages 2 to 9 form part of these financial statements.

R100 ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

R100 Energy Limited is a private company limited by shares, incorporated in England and Wales (Registration number: 10829140). The registered office address is Control Tower, Hemswell Cliff Industrial Estate, Hemswell Cliff, Gainsborough, DN21 5TU. The principal activity of the company is the construction and operation of an Anaerobic Digestion Facility. The company started trading during the year once the asset produced gas at an intended level.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

At 31 December 2021 the company had net current liabilities of £1,826,852 (2020: £14,019,318) and net liabilities of £4,191,168 (2020: £1,911,174). It is dependent upon the funds provided by its parent company, GVO B-1 Limited. The parent company has provided the company with a letter of support confirming that they will continue to make available such funds as are needed by the company to continue in operational existence for at least 12 months from signing off so the company can meet its liabilities as they fall due for payment.

Having reviewed the company's current position and cash flow projections for the next twelve months and beyond, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and to be profitable. Accordingly, the going concern basis has been adopted in preparing the financial statements.

In drawing this conclusion the directors have given due consideration to the impact of the Coronavirus pandemic. The directors consider that whilst there has been an impact of the pandemic prior to the date of approval of these financial statements, it is not significant enough to create a material uncertainty that the company will continue to be a going concern.

R100 ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of gas is recognised at the point at which the gas is produced. Revenue from gas sales that is contingent on future notification of past events is recognised when notification is received.

Revenue from the receipt of waste services is recognised on the date that food waste is received.

Management charges receivable within other operating income is recognised in the period that the service is provided.

Rental income included within other operating income is recognised in the period that the rental period relates to.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.6 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.

Short-term leasehold property	- 4% Straight line
Plant and machinery	- 5-10% Straight line
Fixtures and fittings	- 10% Straight line
Office equipment	- 10% Straight line
Capital work in progress	- nil until complete

2.7 Capitalised interest

The asset under construction will take a substantial period of time to be ready for its intended use and as such, interest costs have been capitalised as part of the cost of assets under construction.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 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 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

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.

R100 ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial period are as follows:

Capitalisation of costs

During the period of construction, all costs incurred as a direct result of financing, designing, project managing, and constructing the AD plant, have been capitalised. The directors consider this to be appropriate since the risks and rewards of ownership rest with the company.

The directors considered the plant to be operational at the point where testing and refining of the asset led to a production of gas which was at acceptable and intended levels.

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual values consider matters such as future market conditions, the remaining estimated life of the asset and the discount required to apply cash flows on estimated disposal values to calculate their net present values.

4. Employees

The average monthly number of employees, including directors, during the year was 6 (2020 - 5).

R100 ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Tangible fixed assets

	Short-term leasehold property	Plant and machinery	Fixtures and fittings	Office equipment	Capital works in progress	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2021	-	12,691,424	-	34,955	-	12,726,379
Additions	-	223,918	49,550	-	77,542	351,010
Transfers between classes	41,647	(41,647)	-	-	-	-
At 31 December 2021	41,647	12,873,695	49,550	34,955	77,542	13,077,389
Depreciation						
At 1 January 2021	-	616,595	-	1,640	-	618,235
Charge for the year on owned assets	1,666	1,262,997	1,652	3,495	-	1,269,810

Transfers between classes	3,748	(3,748)	-	-	-	-
At 31 December 2021	5,414	1,875,844	1,652	5,135	-	1,888,045
Net book value						
At 31 December 2021	36,233	10,997,851	47,898	29,820	77,542	11,189,344
At 31 December 2020	-	<i>12,074,829</i>	-	<i>33,315</i>	-	<i>12,108,144</i>

6. Debtors

	2021 £	<i>2020</i> <i>£</i>
Trade debtors	305,663	<i>567,658</i>
Amounts owed by group undertakings	1,279,524	<i>892,033</i>
Other debtors	229,525	<i>147,059</i>
Prepayments and accrued income	69,175	<i>191,830</i>
	<u>1,883,887</u>	<i><u>1,798,580</u></i>

Details of amounts owed by group undertakings are included below in Note 13.

7. Cash and cash equivalents

	2021 £	<i>2020</i> <i>£</i>
Cash at bank and in hand	666,885	<i>80,471</i>
	<u>666,885</u>	<i><u>80,471</u></i>

8. Creditors: Amounts falling due within one year

	2021 £	<i>2020</i> <i>£</i>
Trade creditors	224,144	<i>128,596</i>
Amounts owed to group undertakings	3,865,277	<i>15,622,581</i>
Other creditors	18,914	<i>30,259</i>
Accruals and deferred income	269,289	<i>116,933</i>
	<u>4,377,624</u>	<i><u>15,898,369</u></i>

Details of amounts owed to group undertakings are included below in Note 13.

R100 ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	2021 £	<i>2020</i> £
Amounts owed to group undertakings	13,553,660	-
	<u>13,553,660</u>	<u>-</u>

The company signed a loan agreement with its parent company on 31 December 2021. The loan becomes repayable from the 10th anniversary of the loan agreement date, and is unsecured and interest free.

10. Share capital

	2021 £	<i>2020</i> £
Allotted, called up and fully paid		
1,000 Ordinary shares of £0.1 each	<u>100</u>	<u>100</u>

11. Capital commitments

At 31 December 2021 the Company had capital commitments as follows:

	2021 £	<i>2020</i> £
Contracted for but not provided in these financial statements	-	250,930
	<u>-</u>	<u>250,930</u>

12. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	<i>2020</i> £
Not later than 1 year	70,000	64,109
Later than 1 year and not later than 5 years	280,000	280,000
Later than 5 years	1,190,000	1,260,000
	<u>1,540,000</u>	<u>1,604,109</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Related party transactions

The company had transactions with fellow subsidiary companies which have all been concluded under normal market conditions. The amount outstanding from fellow subsidiaries at the year end was £1,279,524 (2020: £892,033) and the amount owing to these subsidiaries was £3,865,277 (2020: £2,901,466).

The company has received loans from its Parent, GVO B-1, the balance of which at the year end was £13,553,660 (2020: £12,721,115). Amounts owed to group undertakings are unsecured, interest free and repayable from the 10th anniversary of the loan agreement date. The above balances can be seen in Notes 6, 8 and 9 respectively as amounts owed by/to group undertakings.

14. Post balance sheet events

In May 2022 after the year end, the Company ordered 2 CHP engines for a value of £1,663,514.

15. Controlling party

GVO B-1 Limited is the ultimate parent and controlling company by virtue of its majority shareholding. The registered office of GVO B-1 is 2 Aldford Street, London, W1K 2AB.

GVO B-1 Limited is also the holding company of the smallest and largest group in which this company's results are consolidated.

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 29 September 2022 by Grahame Maughan (Senior Statutory Auditor) on behalf of Ryecroft Glenton.