



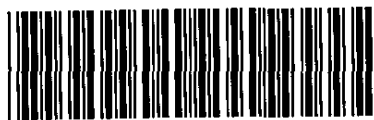
Energy Power Resources Limited

Report and financial statements

for the year ended 30 June 2020

Registered number: 03302734

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COMPANIES HOUSE

Directors and advisers

Directors

P S Latham
M G Setchell
E J Wilkinson

Secretary

Octopus Company Secretarial Services Limited

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Registered office

6th Floor
33 Holborn
London
EC1N 2HT

Strategic report for the year ended 30 June 2020

The directors present their strategic report for the company for the year ended 30 June 2020.

Business review

The company's principal activity is the leasing of five power stations and the provision of management and administrative services (as holding company) to a number of subsidiaries. The primary activity of these 100% owned subsidiaries is the operation of the five electricity power stations (in total approximately 111MW capacity) and the marketing and sale of potash and phosphate fertiliser, branded as Fibrophos.

In addition, the company holds a 50% shareholding in Yorkshire Windpower Limited ("YWP") which owns and operates two wind farms at Ovenden Moor and Royd Moor, Yorkshire with a total installed capacity of 24.5MWs. The company is currently considering a sale of its shareholding in YWP.

The results of the company for the year and financial position at the year end were in line with expectations.

Energy Power Resources Limited ("EPRL") is an indirect subsidiary of Melton Renewable Energy UK Limited. EPRL and it and its subsidiaries collectively represent the "Biomass division" of the Melton Renewable Energy UK Limited group.

The results of the Biomass division for the year ended 30 June 2020 and the financial position at that date were satisfactory being underpinned by solid operational performance across the portfolio. Following excellent operational performance and results in the previous financial year, output and availability remained strong in the year ended 30 June 2020. Overall portfolio output in the year ended 30 June 2020 was 777GWh, an increase of 7GWh (0.9%) compared with the prior year, this reflected exceptionally strong operational performance and increased output from Thetford Power Station. There were operational challenges during the year, including an elongated annual outage at Ely Power Station in August 2019 to undertake discovery works during the turbine major and the catastrophic failure of the generator at Westfield Power Station in May 2020 (subsequently replaced), but output from the Biomass division increased year on year.

Environment and sustainability

The company and its subsidiaries continue to place great importance and significant emphasis on health and safety, and the company's OHSAS 18001 (Health & Safety) certification was maintained throughout the year.

Results

The results of the company show a profit for the financial year of £18,871,000 (2019: £123,000 loss). Dividend income from shares in group undertakings of £22,600,000 was received in the year (2019: £4,500,000). Excluding dividend income the company's loss for the financial year was £3,729,000 (2019: £4,623,000 loss).

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with those of the group and are not managed separately. The group has an agreed formal risk management policy and framework that covers identification, mitigation, control, monitoring and review of risks on a regular basis. Further discussion of group wide risks is provided within the directors' report of Melton Renewable Energy UK Limited, which does not form part of this report.

Strategic report for the year ended 30 June 2020

Key performance indicators

The directors of Melton Renewable Energy UK Limited manage the group's operations on a group wide basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Energy Power Resources Limited. The development, performance and position of Melton Renewable Energy UK Limited, which includes this wholly owned UK subsidiary, is discussed in the group's annual report which does not form part of this report.

Statement by the directors in performance of their statutory duties in accordance with s172(1)(a) to (f) Companies Act 2006

From the perspective of the company's directors, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the directors of Melton Renewable Energy UK Limited in relation to both the group and the company. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the group has considered the matters relating to s172 is included within the group's report and financial statements which does not form part of this report.

On behalf of the board



E J Wilkinson
Director
19/10/2020

Directors' report for the year ended 30 June 2020

The directors present their report and the financial statements for the company for the year ended 30 June 2020.

Principal activities

The company's principal activity is the leasing of power stations and the provision of management and administrative services (as holding company) to a number of subsidiaries. The primary activity of Energy Power Resources Limited's ("EPRL") subsidiary entities is the operation of five electricity power stations (in total approximately 111MWs capacity) and the marketing and sale of potash and phosphate fertiliser, branded as Fibrophos. In addition, EPRL holds a 50% share Yorkshire Windpower Limited which owns and operates two wind farms at Ovenden Moor and Royd Moor, Yorkshire with a total capacity of 24.5MWs.

Future developments

The directors anticipate that turnover in the year ended 30 June 2021 will be consistent with that of the current year and the company will continue to achieve satisfactory trading results.

Yorkshire Windpower Limited

The company owns 50% of the share capital of YWP, which itself owns and operates wind-farms at Royd Moor and Ovenden Moor. YWP's joint shareholders (EPRL and RWE Renewables UK Operations Limited (previously E.ON Climate & Renewables UK Operations Limited)) are currently engaged in a sale process to dispose of their respective 50% shareholdings. The due diligence process has commenced and if successful it is anticipated that the sale will complete during the second quarter of the current financial year. The directors regard the sale process as a non-adjusting event, after the end of the reporting period and have prepared the financial statements on this basis.

Dividends

Ordinary dividends of £20,500,000 were paid during the year (2019: £nil) and a loss of £1,629,000 (2019: loss of £123,000) was transferred to reserves.

Directors

The directors of the company, who held office during the year and up to the date of signing the financial statements, are given below:

P S Latham
M G Setchell
E J Wilkinson

Going concern

After considering the projections prepared for the period to 31 October 2021, the directors believe the company has sufficient funds to meet its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis. The directors have received confirmation from Melton Renewable Energy UK Limited, of its intention to financially support the company such that the company can meet those obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

Directors' report for the year ended 30 June 2020

Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 is in force throughout the financial year and at the date of approval of the financial statements for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of signing the financial statements.

Employee information

We fully realise that our employees wish to be informed and consulted on matters affecting their work and to be involved in problem-solving affecting their own areas of interest and responsibility. The group and company are firmly committed to a policy of good communication at all levels and we aim to establish a climate which constantly encourages the open flow of information and ideas. Presently this includes a combination of monthly team briefings at a local level, quarterly newsletters and the publication of key performance indicators covering output, operating costs and health and safety on a weekly and monthly basis.

Financial risk management

The company's operations expose it to limited financial risks that include liquidity risk.

Given the size of the company, the directors have not delegated responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Liquidity risk

The company maintains cash balances and has access to short-term finance so as to ensure the group has sufficient available funds for operations.

Directors' report for the year ended 30 June 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company 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", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

Audit exemption

The members have not required the company to obtain an audit of its financial statements for the year in accordance with section 476 of the Companies Act 2006. Accordingly no auditors have been appointed. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the board



E J Wilkinson
Director
19/10/2020

**Statement of income and retained earnings
for the year ended 30 June 2020**

	Note	2020 £000s	2019 £000s
Turnover	5	18,836	18,004
Cost of sales		(14,438)	(14,497)
Gross profit		4,398	3,507
Administrative expenses		(6,636)	(5,826)
Operating loss	6	(2,238)	(2,319)
Income from shares in group undertakings	14	22,600	4,500
Profit on ordinary activities before interest and taxation		20,362	2,181
Interest receivable and similar income	9	1,977	2,001
Interest payable and similar charges	10	(1,655)	(2,738)
Profit on ordinary activities before taxation		20,684	1,444
Tax on profit on ordinary activities	11	(1,813)	(1,567)
Profit / (loss) for the financial year	20	18,871	(123)
Retained earnings brought forward		64,073	64,196
Dividends	12	(20,500)	-
Retained earnings carried forward	20	62,444	64,073

All items dealt with in the statement of income and retained earnings above relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit / (loss) for the financial year stated above and their historical cost equivalents.

The company has no other comprehensive income other than the results above and therefore no separate statement of comprehensive income has been prepared.

Balance Sheet

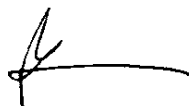
as at 30 June 2020

	Note	2020 £000s	2019 £000s
Fixed assets			
Tangible assets	13	49,537	59,488
Investments	14	19,742	19,742
		69,279	79,230
Current assets			
Debtors	15	9,094	9,511
Cash at bank and in hand		111	1,820
		9,205	11,331
Creditors: amounts falling due within one year	16	(12,773)	(23,337)
Net current liabilities		(3,568)	(12,004)
Total assets less current liabilities		65,711	67,226
Provisions for liabilities	17	(964)	(850)
Net assets		64,747	66,376
Capital and reserves			
Called up share capital	19	1,814	1,814
Share premium account	20	489	489
Retained earnings	20	62,444	64,073
Total shareholders' funds	21	64,747	66,376

For the year ending 30 June 2020 the directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 7 to 24 were approved by the board of directors and were signed on its behalf by:



P S Latham
Director
19/10/2020

Registered number: 03302734

Notes to the financial statements

for the year ended 30 June 2020

1. General information

Energy Power Resources Limited's principal activity is the leasing of power stations and the provision of management and administrative services (as holding company) to a number of subsidiaries.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

2. Statement of compliance

The financial statements of Energy Power Resources Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the consolidated financial statements of the group in which the entity is consolidated, includes the company's cash flows;
- (ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statements disclosures.

Related parties

The company is exempt from disclosing transactions with related entities, these being other 100% owned subsidiaries of Fern Trading Limited, as required by FRS 102, paragraph 33.1.

Notes to the financial statements

for the year ended 30 June 2020

3. Accounting policies (continued)

Group financial statements

The company has taken advantage of the exemption available under section 400 of the Companies Act 2006 not to prepare consolidated financial statements, on the basis that the company's holding company is Melton Renewable Energy UK Limited, a company established under UK law that prepares consolidated financial statements.

Going concern

Notwithstanding the fact that the company has net current liabilities, the directors have prepared the financial statements on the going concern basis. The directors have received confirmation from Melton Renewable Energy UK Limited, of its intention to financially support the company such that the company can meet those obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

Turnover

Turnover represents the amounts receivable in respect of management services and rental of lease income provided during the year exclusive of VAT.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Freehold land and buildings	- nil
Power stations	- see below
Office equipment	- over 4 to 15 years
Assets under construction	- nil

The original cost of the power stations is depreciated over their economic life. The rates used vary from 2% to 13% per annum, straight line, reflecting the anticipated economic and operating profile of the assets over their useful economic life. Modifications made to the plant are depreciated on a straight line basis over the remaining useful economic lives of these modifications, commencing when these modifications are brought into use.

Fixed asset additions that have not been completed at year end have been valued based on the cost of work completed and approved.

The directors annually review their decommissioning assessment to confirm that there are not any material net liabilities or contingencies arising from the ongoing commitment to decommission the biomass power stations.

Sale and leaseback

During 2012 the directors made the decision to consolidate the asset position within the group. As a result the company purchased five biomass power stations from subsidiary companies and subsequently leased them under an operating lease for an initial period of six years. During 2018 the company entered into new operating lease agreements with the same subsidiary companies for a term of five years to March 2023. Rental income in the company is recognised on a straight line basis over the term of the lease.

Notes to the financial statements

for the year ended 30 June 2020

3. Accounting policies (continued)

Impairment

The carrying value of the company's assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments

The company's investment in subsidiary undertakings is stated at cost less, where applicable, amounts written off to reflect the value of the underlying net assets of the investment at the balance sheet date.

Current tax

Current tax is the amount of corporation 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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Group relief

Credits for amounts receivable in respect of tax losses surrendered to group companies are recognised in the period in which the losses are surrendered, as are charges in respect of tax losses claimed from group companies.

Pensions

The employees of the company contribute to a group defined contribution personal pension scheme for certain qualifying employees. Employee contributions of varying amounts together with employer contributions of between 5.0% and 7.5% are paid monthly to the scheme providers. The associated pension costs are recognised in the statement of income and retained earnings on an accruals basis.

Notes to the financial statements

for the year ended 30 June 2020

3. Accounting policies (continued)

Leases

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement and whether the lease should be classified as either a finance lease or an operating lease.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the fair value of the leased asset and depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Lease income from operating leases (through the leasing of investment properties) is recognised in the statement of income and retained earnings on a straight-line basis over the lease term. Payments under operating leases are charged to the statement of income and retained earnings on a straight line basis over the period of the lease.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

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 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.

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.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

Notes to the financial statements

for the year ended 30 June 2020

3. Accounting policies (continued)

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

4. Critical accounting judgements and estimation uncertainty

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

a) Critical judgements in applying the company's accounting policies.

The directors consider that there are no critical judgements in the application of the company's accounting policies which would have a material impact on the financial statements.

b) Key accounting estimates and assumptions.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed periodically.

5. Turnover

Turnover arises solely from the company's principal activities in the United Kingdom.

Notes to the financial statements

for the year ended 30 June 2020

6. Operating loss

Operating loss is stated after charging:

	2020	2019
	£000s	£000s
Services provided by the company's auditors:		
- Fees payable to the company's auditors for other assurance services	42	45
Depreciation of fixed assets	14,441	14,499
Operating lease rentals		
- land and buildings	221	321
- motor vehicles	15	15

Melton Renewable Energy UK Limited provided head office and administrative services during the year for a fixed monthly fee. The total sum charged by Melton Renewable Energy UK Limited was £3,908,000 (2019: £3,030,000).

7. Directors' emoluments

The company paid no remuneration or wages to its directors during the year (2019: £nil). The emoluments of E J Wilkinson are paid by Melton Renewable Energy UK Limited and recharged to Energy Power Resources Limited as part of a management charge. This management charge also includes a recharge of administration costs borne by the parent companies on behalf of the company and it is not possible to identify separately the amount of E J Wilkinson's emoluments.

P S Latham and M G Setchell did not receive any payment for their services to the Melton Renewable Energy UK Limited group.

Key management personnel compensation paid by the company during the year was:

	2020	2019
	£000s	£000s
Salaries and other short term benefits	587	446

Notes to the financial statements

for the year ended 30 June 2020

8. Employee information

	<i>2020</i>	<i>2019</i>
	<i>£000s</i>	<i>£000s</i>
Wages and salaries	1,582	1,350
Social security costs	184	159
Other pension costs	75	59
	<u>1,841</u>	<u>1,568</u>

The monthly average number of persons employed by the company during the year is:

	<i>2020</i>	<i>2019</i>
	<i>Number</i>	<i>Number</i>
Administration	25	24

9. Interest receivable and similar income

	<i>2020</i>	<i>2019</i>
	<i>£000s</i>	<i>£000s</i>
Intercompany loan interest receivable	1,973	1,981
Bank interest receivable	4	20
	<u>1,977</u>	<u>2,001</u>

10. Interest payable and similar charges

	<i>2020</i>	<i>2019</i>
	<i>£000s</i>	<i>£000s</i>
Intercompany loan interest payable	1,132	1,425
Interest payable to parent undertakings	523	1,313
	<u>1,655</u>	<u>2,738</u>

Notes to the financial statements

for the year ended 30 June 2020

11. Tax on profit on ordinary activities

a) Analysis of charge in the year

	2020 £000s	2019 £000s
Current tax:		
UK corporation tax	1,692	-
Group relief payable	-	1,521
Adjustments in respect of prior periods	7	77
Total current tax	1,699	1,598
Deferred tax:		
Origination and reversal of timing differences	21	(28)
Adjustments in respect of prior periods	(6)	(3)
Rate change	99	-
Total deferred tax (note 17)	114	(31)
Tax on profit on ordinary activities	1,813	1,567

b) Reconciliation of tax charge

The tax assessed on the profit on ordinary activities before taxation for the year is lower than (2019: higher than) the effective rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000s	2019 £000s
Profit on ordinary activities before taxation	20,684	1,444
Profit on ordinary activities before taxation multiplied by effective rate of corporation tax of 19% (2019: 19%)	3,930	274
Effect of:		
Adjustments in respect of prior periods	1	74
Expenses not deductible for tax purposes	2,077	2,074
Non-taxable income	(4,294)	(855)
Impact of rate change	99	-
Tax charge for the year	1,813	1,567

Notes to the financial statements

for the year ended 30 June 2020

11. Tax on profit on ordinary activities (continued)

c) Factors that may affect future tax charges

Changes to UK corporation tax rates were substantively enacted on 17 March 2020 under a UK Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. This resolution cancelled the previously enacted reduction to 17%, such that the UK corporation tax main rate applicable from 1 April 2020 remains at 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. Dividends

	2020 £000s	2019 £000s
2020: £0.11 per ordinary share (2019: £nil)	20,500	-

13. Tangibles Assets

	<i>Freehold land and buildings £000s</i>	<i>Power stations £000s</i>	<i>Office equipment £000s</i>	<i>Assets under construction £000s</i>	<i>Total £000s</i>
Cost:					
At 1 July 2019	3,746	176,345	364	285	180,740
Additions	1,485	2,672	-	333	4,490
Transfers	-	285	-	(285)	-
Disposals	-	(251)	-	-	(251)
At 30 June 2020	5,231	179,051	364	333	184,979
Accumulated depreciation:					
At 1 July 2019	-	120,892	360	-	121,252
Charge for the year	-	14,438	3	-	14,441
Disposals	-	(251)	-	-	(251)
At 30 June 2020	-	135,079	363	-	135,442
Net book amount:					
At 30 June 2020	5,231	43,972	1	333	49,537
At 30 June 2019	3,746	55,453	4	285	59,488

Notes to the financial statements

for the year ended 30 June 2020

14. Investments

The company owns 50% of the issued share capital of Yorkshire Windpower Limited ("YWP") as part of a 50:50 joint venture with E.ON Climate & Renewables UK Operations Limited. The principal activities of YWP are the ownership, maintenance and operation of two wind farms at Ovenden Moor and Royd Moor in Yorkshire and the sale of the associated electrical generation under a power purchase agreement. YWP's operations are governed and managed by a board of directors with equal representation from both joint venture partners. Key decisions in respect of the operations of the company agreed at board level.

	<i>Subsidiary undertakings £000s</i>
Cost:	
At 1 July 2019 and 30 June 2020	33,273
Amounts provided:	
At 1 July 2019 and 30 June 2020	13,531
Net book value:	
At 30 June 2020	19,742
At 30 June 2019	19,742

Notes to the financial statements

for the year ended 30 June 2020

14. Investments (continued)

The directors believe that the carrying value of the investments is supported by their underlying net assets. The subsidiary companies and joint venture of the company at 30 June 2020, which are all wholly owned and incorporated in Great Britain (unless indicated otherwise), are listed below.

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<i>Subsidiary undertakings</i>			
EPR Ely Limited	Ordinary shares	100%	Operation of electricity power station
EPR Eye Limited	Ordinary shares	100%	Operation of electricity power station
EPR Glanford Limited	Ordinary shares	100%	Operation of electricity power station
EPR Scotland Limited	Ordinary shares	100%	Operation of electricity power station
EPR Thetford Limited	Ordinary shares	100%	Operation of electricity power station
Fibrophos Limited	Ordinary shares	100%	Supply of fertiliser
<i>Joint venture</i>			
Yorkshire Windpower Limited	Ordinary shares	50%	Owner and operator of two wind power farms

The directors believe the carrying value is supported by their underlying net assets.

The registered office of the companies listed above is 6th Floor, 33 Holborn, London, EC1N 2HT except for EPR Scotland Limited, 191 West George Street, Glasgow, G2 2LD and Yorkshire Windpower Limited, Westwood Way, Westwood Business Park, Coventry, CV4 8LG.

During the year the company received dividends from wholly owned subsidiaries and its joint venture, Yorkshire Windpower Limited, as follows: -

	2020	2019
	£000s	£000s
EPR Thetford Limited	14,700	-
EPR Glanford Limited	2,700	1,500
EPR Eye Limited	2,700	-
Yorkshire Windpower Limited	2,500	3,000
Income from shares in group undertakings	22,600	4,500

Notes to the financial statements

for the year ended 30 June 2020

15. Debtors

	<i>2020</i>	<i>2019</i>
	<i>£000s</i>	<i>£000s</i>
Amounts owed by group undertakings	7,363	7,487
Corporation tax	1,486	1,800
Taxation and social security	103	83
Prepayments and accrued income	142	141
	9,094	9,511

All amounts owed by group undertakings are unsecured, bear interest at LIBOR plus a 5.5% margin (2019: 5.5% or 6%) and are repayable on demand.

16. Creditors: amounts falling due within one year

	<i>2020</i>	<i>2019</i>
	<i>£000s</i>	<i>£000s</i>
Trade creditors	123	32
Loans owed to group undertakings	4,084	13,200
Amounts owed to group undertakings	42	95
Parent company loan (note 18)	5,442	6,966
Group relief	2,579	2,633
Taxation and social security	38	41
Accruals and deferred income	465	370
	12,773	23,337

Loans owed to group undertakings are unsecured, bear interest at 7.5% (2019: 7.5%) and are repayable on demand. The amounts shown include interest accrued as at 30 June 2020 of £184,000 (2019:£nil).

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

Notes to the financial statements
for the year ended 30 June 2020

17. Provisions for liabilities

Deferred tax

	2020 £000s	2019 £000s
Capital allowances in excess of depreciation	965	851
Other timing differences	(1)	(1)
Net deferred tax liability	964	850
	2020 £000s	2019 £000s
At 1 July	850	881
Deferred tax charge / (credit) in statement of income and retained earnings	114	(31)
At 30 June	964	850

Deferred tax has been calculated at 19% (2019: 17%).

18. Parent company loans

	2020 £000s	2019 £000s
Parent company loan	5,442	6,966

The parent company loan provided by EPR Renewable Energy Limited is unsecured, bears interest at LIBOR plus margin of 6% (2019: 6%) and is repayable on demand provided it would not cause the company to become insolvent. The amounts shown include interest accrued as at 30 June 2020 of £542,000 (2019: £619,000)

19. Called up share capital

	2020 £000s	2019 £000s
<i>Authorised:</i> 440,000,000 (2019: 440,000,000) ordinary shares of 1p each	4,400	4,400
<i>Allotted, issued, called up and fully paid:</i> 181,434,068 (2019: 181,434,068) ordinary shares of 1p each	1,814	1,814

Notes to the financial statements

for the year ended 30 June 2020

20. Reserves

	<i>Share premium account £000s</i>	<i>Retained earnings £000s</i>
At 1 July 2019	489	64,073
Profit for the financial year	-	18,871
Dividends (note 12)	-	(20,500)
At 30 June 2020	489	62,444

21. Reconciliation of movements in total shareholders' funds

	<i>2020 £000s</i>	<i>2019 £000s</i>
Profit / (loss) for the financial year	18,871	(123)
Dividends (note 12)	(20,500)	-
Opening total shareholders' funds	66,376	66,499
Closing total shareholders' funds	64,747	66,376

Notes to the financial statements

for the year ended 30 June 2020

22. Other financial commitments

At 30 June the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	<i>2020</i>	<i>2019</i>
	<i>Land and</i>	<i>Land and</i>
	<i>Buildings</i>	<i>Buildings</i>
	<i>£000s</i>	<i>£000s</i>
Payments due:		
Not later than 1 year	141	176
Later than one year and not later than five years	517	529
More than five years	244	373
	<u>902</u>	<u>1,078</u>

At 30 June the company had the following future minimum lease income under non-cancellable operating leases for each of the following periods:

	<i>2020</i>	<i>2019</i>
	<i>Land and</i>	<i>Land and</i>
	<i>Buildings</i>	<i>Buildings</i>
	<i>£000s</i>	<i>£000s</i>
Receipts due:		
Not later than 1 year	12,100	12,100
Later than one year and not later than five years	21,175	33,275
	<u>33,275</u>	<u>45,375</u>

23. Contingent liabilities

At 30 June 2020 the company was guarantor with other group companies of a bank loan facility provided by the group's financiers. The outstanding loan balance as at 30 June 20 was £125,505,000 (2019: £140,496,000)

The company has no other off balance sheet arrangements.

24. Pension contributions

The company contributes to its employee's personal pension schemes. The cost for the year is shown in note 8. Outstanding contributions at 30 June 2020 amounted to £13,510 (2019: £11,395).

25. Related party transactions

During the year the company received, in the normal course of business, with Yorkshire Windpower Limited ("YWP"), a 50% joint venture investment, £62,400 (2019: £60,500) for management and accountancy services. At the year end £nil (2019: £nil) was outstanding.

Notes to the financial statements

for the year ended 30 June 2020

26. Ultimate parent company

EPR Renewable Energy Limited is the immediate parent undertaking. The ultimate parent undertaking as at the year ended 30 June 2020 was Fern Trading Limited, a company incorporated in the UK. On 10 July 2020, the ultimate parent undertaking changed to Fern Trading Group Limited, also a company incorporated in the UK following the insertion of a new top company to the existing Fern group.

Melton Renewable Energy UK Limited is the holding company of the smallest group of undertakings for which group financial statements are drawn up and Fern Trading Limited is the holding company of the largest group of undertakings for which group financial statements are drawn up. Copies of the group financial statements may be obtained from the address above.