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COMPANY REGISTRATION NUMBER: 09877310

XK STERLING INDUSTRIAL ENERGY LTD
(FORMERLY KNOWN AS STERLING INDUSTRIAL ENERGY LTD)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

TUESDAY



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XK STERLING INDUSTRIAL ENERGY LTD
(FORMERLY KNOWN AS STERLING INDUSTRIAL ENERGY LTD)

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XK STERLING INDUSTRIAL ENERGY LTD
(FORMERLY KNOWN AS STERLING INDUSTRIAL ENERGY LTD)

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS	P M Cridge (Appointed on 20 April 2022) D G Roberts (Appointed on 20 April 2022) P K Vasilev (Appointed on 20 April 2022)
REGISTERED OFFICE	52-54 Gracechurch Street London England EC3V 0EH
COMPANY SECRETARY	Mourant Governance Services (UK) Limited (Appointed on 25 October 2021)
REGISTERED NUMBER	09877310

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XK STERLING INDUSTRIAL ENERGY LTD
(FORMERLY KNOWN AS STERLING INDUSTRIAL ENERGY LTD)

DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2021

The directors present their report and the unaudited financial statements of XK Sterling Industrial Energy Limited ("the Company") for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the sale of electricity.

REVIEW OF THE BUSINESS

The Company did not trade during the year. Therefore, the Company is considered dormant as defined in the Companies Act 2006 throughout the year. There were no transfers to or from reserves for the year.

DIRECTORS

The directors who held office during the period and up to the date of signature of the financial statements were as follows:
P M Cridge (Appointed on 20 April 2022)
D G Roberts (Appointed on 20 April 2022)
P K Vasilev (Appointed on 20 April 2022)
M C Donnor (Resigned on 22 October 2021)
K Sheikh (Resigned on 22 October 2021)
D Collard (Resigned on 22 October 2021)
R L Taylor (Appointed on 8 November 2021 and resigned on 22 March 2022)
D A Scott (Appointed on 8 November 2021 and resigned on 20 April 2022)
B A Schori (Appointed on 8 November 2021 and resigned on 20 April 2022)
J Martinez (Appointed on 22 March 2022 and resigned on 20 April 2022)

GOING CONCERN

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, notwithstanding the deficit in net current assets, as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the available sources of finance.

POLITICAL CONTRIBUTIONS

The Company did not make any political contributions or incur any political expenditure during the year (2020: £nil).

FUTURE DEVELOPMENTS

The directors do not anticipate any significant changes to the Company's activity in the foreseeable future.

SMALL COMPANY PROVISIONS

In preparing the report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board of directors on 29 December 2022 and signed on behalf of the board by:

DocuSigned by:
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P M Cridge
Director

DocuSigned by:
7447EBA6FE524DE...
D G Roberts
Director

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XK STERLING INDUSTRIAL ENERGY LTD
(FORMERLY KNOWN AS STERLING INDUSTRIAL ENERGY LTD)

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2021

	Note	2021	Restated 2020
		£	£
TURNOVER	5	-	37,918
GROSS PROFIT		-	37,918
Administrative expenses		-	(5,663)
OPERATING PROFIT		-	32,255
Write off of tangible assets		-	(662,000)
LOSS BEFORE TAXATION		-	(629,745)
Taxation		-	-
PROFIT FOR THE FINANCIAL YEAR		-	(629,745)

The Company did not trade during the current year.

There are no other items of comprehensive income other than those above in the profit and loss account, and therefore no statement of comprehensive income has been presented.

The accompanying notes on pages 5 to 10 form an integral part of these financial statements.

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XK STERLING INDUSTRIAL ENERGY LTD
(FORMERLY KNOWN AS STERLING INDUSTRIAL ENERGY LTD)

STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2021

	Note	2021	Restated 2020
		£	£
FIXED ASSETS			
Tangible assets		-	-
CURRENT ASSETS			
Debtors	8	**167**	30,135
Cash at bank and in hand		-	3,205
		167	33,340
CREDITORS: amounts falling due within one year	9	**(626,506)**	(661,077)
NET CURRENT LIABILITIES		**(626,339)**	(627,737)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(626,339)**	(627,737)
NET LIABILITIES		**(626,339)**	(627,737)
CAPITAL AND RESERVES			
Called up share capital	10	**1**	1
Profit and loss account		**(626,340)**	(627,738)
SHAREHOLDERS' DEFICIT		**(626,339)**	(627,737)

The company is entitled to exemption from audit under Section 480 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The accompanying notes on pages 5 to 10 form an integral part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 29 December 2022 and are signed on behalf of the board by:

DocuSigned by:
64E9C3F61C03497...
P M Cridge

DocuSigned by:
7447EBA6FE524DE...
D G Roberts

Director Director

1. GENERAL INFORMATION

The Company is a private company limited by shares. registered in England and Wales. The address of the registered office has changed from 60 Charlotte Street, 5th Floor, London, W1T 2NU to 52-54 Gracechurch Street, London, England, EC3V 0EH with effect from 12 November 2021.

2. SIGNIFICANT 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 the years presented, unless otherwise stated:

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 GOING CONCERN

Refer page 2 of Directors' Report for details.

2.3 FOREIGN EXCHANGE

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

2.4 TANGIBLE ASSETS

Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the

excess shall be recognised in statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES

2.5 IMPAIRMENT OF FIXED ASSETS

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

2.6 FINANCIAL INTRUMENTS

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of 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 company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

2.7 CAPITAL AND RESERVES

Ordinary shares
Represents the nominal value of shares issued.

Retained earnings
Represents the reserves for net gains and losses recognised in the statement of comprehensive income.

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2. SIGNIFICANT ACCOUNTING POLICIES

2.8 REVENUE RECOGNITION

Turnover represents income from the sale of electricity in the United Kingdom.

Turnover is recognised at the fair value of the consideration received or receivable and is shown net of VAT and other sales related taxes.

2.9 TAXATION

Taxation expense for the year comprises current tax and deferred tax recognised in the financial year. Tax is recognised in profit or loss except to the extent 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 tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year 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 arises from timing differences that are differences between taxable profits and other comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in years 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 year end and that are expected to apply to the reversal of the timing difference.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements
The directors deem that there were no critical judgements (apart from those involving estimates) involved in these financial statements.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Trade debtors
Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.

4. RESTATEMENT OF PRIOR YEAR FIGURES

During the year ended 31 December 2020, the Company restated its financial statements for the following:

- Asset write off of £662,000
- Timing difference related to expenses of £1,398

	As per prior year signed stats	Adjustment	Restated balance
Tangible assets	662,000	(662,000)	-
Creditors	(659,679)	(1,398)	(661,077)
Administration expenses	4,265	1,398	5,663
Write off of tangible assets	-	662,000	662,000
Impact to profit	4,265	663,398	667,663

5. TURNOVER

	2021 £	2020 £
Sale of electricity	-	37,918
	-	37,918

6. EMPLOYEES

There were no employees in the Company during the year (2020: none).

7. DIRECTORS' REMUNERATION

The directors received no remuneration during the year (2020: £nil).

8. DEBTORS

	2021	2020
	£	£
Trade debtors	**-**	26,538
Other debtors	**167**	3,597
	167	30,135

9. CREDITORS: amounts falling due within one year

	2021	Restated 2020
	£	£
Amounts owed to group undertakings	**626,506**	653,438
Accruals and deferred income	**-**	4,800
Other creditors	**-**	2,839
	626,506	661,077

Amount owed to group undertakings is unsecured, interest free and repayable on demand.

10. CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Issued, subscribed and paid up:		
1 (2020: 1) ordinary share of £1 each	**1**	1
	1	1

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11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained in FRS 102 (section 33) 'Related Party Disclosures, in respect of the disclosures of transactions and balances with other wholly owned group undertakings as consolidated financial statements are prepared.

12. CONTROLLING PARTY

The Director's consider the ultimate parent undertaking and controlling party to be XK Master Topco Ltd., a company registered in 22 Grenville Street, St. Helier, Jersey, JE4 8PX.

The Company's immediate parent undertaking is XK Holdco Ltd., a company registered in Jersey. The registered office of the company 22 Grenville Street, St. Helier, Jersey, JE4 8PX.

13. EVENTS AFTER THE BALANCE SHEET DATE

The directors do not consider there to be any post balance sheet events to be disclosed in the financial statements.