

NATURAL GENERATION HOLDINGS LIMITED

Filleted Annual Report and Financial Statements
for the Year Ended 31 December 2019



Natural Generation Holdings Limited

Contents

Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3 to 8

Natural Generation Holdings Limited

Company Information

Directors	I Thomson DL Akers-Douglas BJA Hutt
Registered office	Unit 3 Cligga Industrial Estate St. Georges Hill Perranporth Cornwall TR6 0EB
Auditor	MHA Tait Walker Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Natural Generation Holdings Limited

(Registration number: 10840310)

Balance Sheet as at 31 December 2019

(As restated)			
	Note	2019 £	2018 £
Fixed assets			
Investments	4	229,370	229,370
Current assets			
Debtors	5	<u>100</u>	<u>333,776</u>
Total assets less current liabilities		229,470	563,146
Creditors: Amounts falling due after more than one year	6	<u>(195,402)</u>	<u>(540,000)</u>
Net assets		<u>34,068</u>	<u>23,146</u>
Equity			
Called up share capital		100	100
Profit and loss account		<u>33,968</u>	<u>23,046</u>
Total equity		<u>34,068</u>	<u>23,146</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 22/12/2019 and signed on its behalf by:



I Thomson
Director

The notes on pages 3 to 8 form an integral part of these financial statements.

Natural Generation Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is Unit 3 Cligga Industrial Estate, St. Georges Hill, Perranporth, Cornwall, TR6 0EB.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

Summary of disclosure exemptions

The Company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 and does not disclose related party transactions with members of the same group that are wholly owned.

Group accounts not prepared

The company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Natural Generation Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

At the year end the company had net current assets of £100 and net assets of £34,068 which includes £195,402 due to its trading subsidiary, Natural Generation Limited. Natural Generation Limited has indicated that it will not seek repayment of this amount until such time as the company has sufficient funds. In this regard, the Directors feel it is appropriate to repeat below what is said in the Directors' Report for Natural Generation Limited regarding going concern.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

In the directors assessment of possible changes they have considered an increase in debtor days alongside the following key scenarios and assumptions:

- That the company's business will continue operating at normal trading levels;
- That the entity will avail itself of available reliefs put forward by HM Government including:
 - Delayed PAYE and VAT payments; and
 - Securing £250,000 of additional funding through government guaranteed business loans.

Although the forecast prepared taking account of the matters above support the ability of the company to remain a going concern and to be able to trade and meets its debts as they fall due, the full impact of COVID-19, the continued level of government support and the underlying trading assumptions used in forecasting are difficult to predict and could be subject to significant variation.

Based on the factors set out above the directors believe that there is no material uncertainty in relation to going concern and that the subsidiary company and therefore the company, has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Prior period restatement

The company's investment in Aeolus Power (MOTs) Limited following the transfer of the trade and assets to Natural Generation Limited was allocated to goodwill. The directors believe that a more representative treatment of such investment would be an adjustment to the company's investment in Natural Generation Limited. This has resulted in a prior year adjustment, and in the reversal of the amortisation charged in 2018 of £22,937 which results in an increase in net assets of £22,937 at 31 December 2018 and a corresponding increase in profit for the year by the same amount.

Natural Generation Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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 the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Debtors

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Creditors

Creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Natural Generation Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

3 Auditor's remuneration

	2019 £	2018 £
Audit of the financial statements	<u>1,275</u>	<u>1,250</u>

4 Investments

	(As restated)	
	2019 £	2018 £
Investments in subsidiaries	<u>229,370</u>	<u>229,370</u>

Subsidiaries	£
Cost or valuation	
At 1 January 2019	229,370
Provision	
At 1 January 2019	<u>-</u>
At 31 December 2019	<u>-</u>
Carrying amount	
At 31 December 2019	<u>229,370</u>
At 31 December 2018	<u>229,370</u>

The cost of the company's investment in Aeolus Power (MOTs) Limited reflected the underlying fair value of the net assets and goodwill at the time of acquisition. As a result of the subsequent migration of the trade of Aeolus Power to Natural Generation Limited, the value of the company's investment in Aeolus Power fell below the amount at which it was stated in the books and records. Accordingly the investment should be written down and charged as a loss to the company however the directors consider that there has been no overall loss to the company and hence it would fail to give a true and fair view to charge the diminution and instead it should be reallocated to the company's investment in Natural Generation Limited.

Natural Generation Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

4 Investments (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Natural Generation Limited	Unit 3 Cligga Industrial Estate, St. Georges Hill, Perranporth, Cornwall, TR6 0EB	Ordinary	100%	100%
Aeolus Power (MOT's) Limited	Unit 3 Cligga Industrial Estate, St. Georges Hill, Perranporth, Cornwall, TR6 0EB	Ordinary	100%	100%

Subsidiary undertakings

The principal activity of Natural Generation Limited is that of the provision of renewable energy solutions.

The principal activity of Aeolus Power (MOT's) Limited was that of servicing wind turbines. The company became dormant during the year.

5 Debtors

	2019 £	2018 £
Amounts owed by group undertakings	100	333,776
	100	333,776
Less non-current portion	-	(293,963)
	100	39,813

Details of non-current trade and other debtors

£Nil (2018 - £293,963) of amounts owed by group undertakings is classified as non current.

Natural Generation Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

6 Creditors

Creditors: amounts falling due within one year

2019 £	2018 £
-	-

Creditors: amounts falling due after more than one year

2019 £	2018 £
-----------	-----------

Due after one year

Amounts owed to group undertakings

195,402	540,000
---------	---------

7 Related party transactions

Natural Generation Holdings Limited had a creditor of £nil (2018 - £540,000) due to Constantine Wind Energy Limited and a debtor of £100 (2018 - £100) due from Constantine Wind Energy Limited at the year end. The creditor represented funding received from Constantine Wind Energy Limited was unsecured and subject to interest at 5%. At 31 December 2018 the creditor was repayable after more than one year. During the year this creditor was reassigned to one of the company's subsidiaries, Natural Generation Limited.

8 Parent and ultimate parent undertaking

The company is owned 80% by Constantine Wind Energy Limited, a company registered in England, which is ultimately controlled by Constantine Group Limited and Jemm Capital Limited in so much as they act in concert.

The only group in which the results of the company are consolidated is that headed by Constantine Wind Energy Limited, First Floor, River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey, GU7 1EZ. The consolidated accounts of this group are available to the public and may be obtained from Companies House.

9 Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 26.10.2020 was Christopher Potter BA(Hons) ACA, who signed for and on behalf of MHA Tait Walker. MHA Tait Walker is a trading name of Tait Walker LLP.