

Company Registration No. 02766574

REG Holdings Limited

Annual Report and Financial Statements

For the year ended 30 June 2019



REG Holdings Limited

Annual report and financial statements for the year ended 30 June 2019

| Contents | Page |
|--|-------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Directors' responsibilities statement | 3 |
| Independent auditor's report | 4 |
| Statement of comprehensive income | 6 |
| Statement of financial position | 7 |
| Statement of changes in equity | 8 |
| Notes to the financial statements | 9 |

REG Holdings Limited

Officers and professional advisers

Directors

A Whalley
D Crockford
M Partridge
I Collins
S Wannop
S Booth

Company Secretary

Z Crockford

Bankers

HSBC Bank Plc UK
3 Temple Quay
Bristol
BS1 6DZ

Registered Office

Unit 3B
Damery Works
Damery Lane
Woodford
Berkeley
Gloucestershire
GL13 9JR

Independent Auditor

RSM UK Audit LLP
Chartered Accountants
3rd Floor
One London Square, Cross Lanes
Guildford
GU1 1UN
United Kingdom

REG Holdings Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report, for the year ended 30 June 2019.

Principal activity

The principal activity of the Company in the year under review was that of a management company. This will continue to be the principal activity of the Company.

Results and dividends

The result for the year, after taxation, was a profit of £5,126,796 (2018: loss £13,646,563).

The directors paid a dividend of £5,221,077 (2018: £nil).

Post balance sheet events

After the year end, on 22 August 2019, the subsidiary, REG Netley Solar North Limited was sold for consideration of £80,000. On 17 June 2020, the subsidiary, REG Ling Hall Solar Limited was also sold for consideration of £240,000.

Directors

The directors, who served throughout the year unless otherwise stated, were as follows:

A Whalley
D Crockford
M Whalley (resigned on 31/01/2019)
M Partridge
I Collins
S Wannop
S Booth
Z Crockford (resigned on 31/01/2019)

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

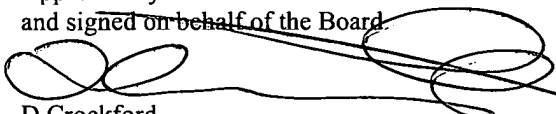
Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office and a resolution to reappoint them will be proposed in the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The directors have also taken advantage of the small companies' exemption from the requirement to prepare a strategic report.

Approved by the Board of Directors
and signed on behalf of the Board



D Crockford
Director

24 June 2020

REG Holdings Limited

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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. They 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.

Independent auditor's report to the members of REG Holdings Limited

Opinion

We have audited the financial statements of REG Holdings Limited (the 'company') for the year ended 30 June 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of REG Holdings Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Christopher Hurren BA FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor, One London Square, Cross Lanes,
Guildford, GU1 1UN

23 June 2020

REG Holdings Limited

Statement of comprehensive income For the year ended 30 June 2019

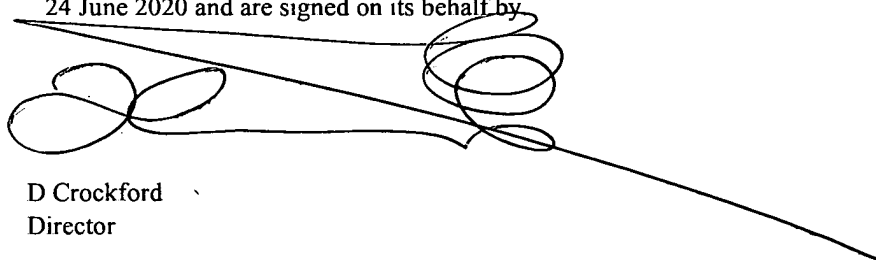
| | Notes | 2019 £ | 2018 £ |
|--|-------|-------------|--------------|
| Turnover | 3 | - | - |
| Administrative expenses | | (1,015,442) | (1,907,090) |
| Operating loss | | (1,015,442) | (1,907,090) |
| Profit on disposal of subsidiaries | 10 | 241,201 | 555,614 |
| Net investment income | 6 | 8,864,029 | - |
| Net finance expense | 7 | (146,141) | (196,084) |
| Impairment of intercompany | | (3,017,113) | (12,022,000) |
| Profit/(loss) before taxation | 4 | 4,926,534 | (13,569,560) |
| Tax credit/(charge) on profit/(loss) | 8 | 200,262 | (77,003) |
| Profit/(loss) after taxation | | 5,126,796 | (13,646,563) |
| Total comprehensive income for the financial year | | 5,126,796 | (13,646,563) |

REG Holdings Limited
Company registration number: 02766574

Statement of financial position
As at 30 June 2019

| | Notes | 2019 £ | 2018 £ |
|---|-------|--------------------|--------------------|
| Fixed assets | | | |
| Investments | 10 | 3,306,645 | 8,163,693 |
| Tangible assets | 11 | 31,585 | 64,305 |
| | | <u>3,338,230</u> | <u>8,227,998</u> |
| Current assets | | | |
| Debtors | 12 | 222,718 | 2,383,004 |
| Cash at bank and in hand | | 33,603 | 75,293 |
| | | <u>256,321</u> | <u>2,458,297</u> |
| Creditors: amounts falling due within one year | 13 | <u>(3,096,865)</u> | <u>(7,885,273)</u> |
| Net current assets | | <u>(2,840,544)</u> | <u>(5,426,976)</u> |
| Creditors: amounts falling due over one year | 14 | <u>-</u> | <u>(2,209,055)</u> |
| Net assets | | <u>497,686</u> | <u>591,967</u> |
| Capital and reserves | | | |
| Called-up share capital | 15 | 74,927 | 74,927 |
| Profit and loss account | 16 | 422,759 | 517,040 |
| Total equity | | <u>497,686</u> | <u>591,967</u> |

The financial statements on pages 6 to 22 were approved by the board of directors and authorised for issue on 24 June 2020 and are signed on its behalf by



D Crockford
 Director

REG Holdings Limited

Statement of changes in equity As at 30 June 2019

| | Called-up share capital £ | Profit and loss account £ | Total £ |
|--------------------------------|--|--|--------------------|
| Balance at 1 July 2017 | 74,927 | 14,163,603 | 14,238,530 |
| Loss for the financial year | - | (13,646,563) | (13,646,563) |
| Balance at 30 June 2018 | 74,927 | 517,040 | 591,967 |
| Profit for the financial year | - | 5,126,796 | 5,126,796 |
| Dividend paid | - | (5,221,077) | (5,221,077) |
| Balance at 30 June 2019 | 74,927 | 422,759 | 497,686 |

REG Holdings Limited

Notes to the financial statements For the year ended 30 June 2019

1. Accounting policies

REG Holdings Limited is a company limited by shares and incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 2.

Accounting convention

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, including the provisions of the Small-sized Companies (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the Company.

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

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of REG Power Holdings Limited. The consolidated financial statements of REG Power Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

Consolidation exemption

The Company has taken advantage of the exemption under Section 9 'Consolidated and Separate Financial Statements' under FRS 102 and section 400 of the Companies Act 2006 to prepare consolidated financial statements as it is a wholly owned subsidiary of REG Power Holdings Limited incorporated in the United Kingdom which produces group financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity. The consolidated financial statements of REG Power Management Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

Going Concern

The financial statements have been prepared on the basis the Company is a going concern, which the Directors consider appropriate.

The Company is a holding company only, with the majority of its costs recharged to other group companies. However, based on this operating model, the Company is reliant on the continued support from Group companies to ensure that it can meet its liabilities as they fall due. The Directors have separately reviewed integrated forecasts for the Company, for the foreseeable future, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital and support from the Group and its shareholders when required.

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

1. Accounting policies (continued)

Turnover

Turnover is recognised as the fair value of the consideration received or receivable for the sale of goods in the normal course of business and is shown net of VAT and other sales related taxes.

Turnover represents the value of management services provided to fellow group companies, excluding value added tax, in the UK.

Revenue recognition

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.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Retirement benefits

Defined contribution plans

The Company's pension plan for employees is a defined contribution scheme. Consequently the annual instalments charged to the profit and loss account are amounts payable under the terms of the scheme and the Company has no potential liability other than for the payment of those instalments.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Borrowing costs

Borrowing costs are generally expensed as incurred. Borrowing costs that are directly attributable to the acquisition or construction of an asset are capitalised while the asset is being constructed as part of the cost of that asset. For borrowing associated with a specific asset, the actual rate on that borrowing is used, otherwise a weighted average cost of borrowings is used.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Investments

Interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries and associates are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|----------------------------------|-----------|
| Leasehold improvements | - 5 years |
| Equipment, fixtures and fittings | - 5 years |

Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

As assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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.

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

1. Accounting policies (continued)

Financial instruments (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

1. Accounting policies (continued)

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date, with movements in the sterling equivalent of the balance being taken to the profit and loss account.

2. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There were no estimates and assumptions considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Turnover

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4. Profit/(loss) before taxation

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Profit/(loss) before taxation is stated after charging: | | |
| Depreciation (note 11) | 34,306 | 39,403 |
| Rentals under operating leases: | | |
| Land and buildings | 23,127 | 29,286 |
| Auditors remuneration: | | |
| Audit fees | 31,264 | 27,917 |
| Tax fees | 1,600 | 1,555 |

The analysis of auditor's remuneration is as follows:

Fees payable to the Company's auditor includes £25,774 (2018: £22,587) borne by the company on behalf of other group companies.

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

5. Information regarding directors and employees

| | 2019 £ | 2018 £ |
|---|----------------|------------------|
| Directors' remuneration: | | |
| Emoluments | 35,017 | 525,819 |
| Social security costs | 4,832 | 63,203 |
| Company contributions to money purchase pension schemes | 17,070 | 29,221 |
| | <u>56,919</u> | <u>618,243</u> |
| Remuneration of highest paid director: | | |
| Emoluments | 4,583 | 97,985 |
| Company contributions to money purchase pension schemes | 4,268 | 1,667 |
| | <u>8,851</u> | <u>99,652</u> |
| | No. | No. |
| The number of directors who: | | |
| Are members of a defined contribution scheme that are paid by the Company | <u>6</u> | <u>8</u> |
| Average number of persons employed (including directors): | | |
| Administration | <u>7</u> | <u>19</u> |
| | £ | £ |
| Their aggregate remuneration comprised: | | |
| Wages and salaries | 59,898 | 943,115 |
| Social security costs | 6,213 | 112,667 |
| Pension costs | 27,414 | 58,111 |
| Other staff costs | 46,556 | 219,870 |
| | <u>140,081</u> | <u>1,333,763</u> |

The pension costs relating to defined contribution benefit schemes were £27,414 (2018: £58,111).

6. Net investment income

| | 2019 £ | 2018 £ |
|--------------------|------------------|-----------|
| Dividends received | <u>8,864,029</u> | <u>-</u> |

Dividends received are from 100% owned subsidiaries of the Company.

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

7. Net finance expense

| | 2019 £ | 2018 £ |
|----------------------------------|------------------|------------------|
| Interest on loans | (145,528) | (202,162) |
| Bank charges | (613) | (715) |
| Forgiveness of intercompany loan | - | 6,793 |
| | <u>(146,141)</u> | <u>(196,084)</u> |

8. Tax on profit/(loss)

(a) Tax on profit/(loss)

| | 2019 £ | 2018 £ |
|---|------------------|---------------|
| The tax charge / (credit) is made up as follows: | | |
| Current tax | | |
| United Kingdom corporation tax | (237,196) | - |
| Adjustments in respect of prior periods | 36,934 | 77,003 |
| | <u>(200,262)</u> | <u>77,003</u> |
| Total tax (credit)/charge | <u>(200,262)</u> | <u>77,003</u> |

(b) Factors affecting the total tax in profit and loss

The difference between the total tax in the profit and loss shown above and the amount calculated by applying the standard rate of UK corporation tax at 19% (2018: 19%) to the loss before tax is as follows:

| | 2019 £ | 2018 £ |
|---|------------------|---------------|
| Profit/(loss) before taxation | 4,926,534 | (13,569,560) |
| Tax at UK corporation tax rate of 19% (2018: 19%) | 936,041 | (2,578,216) |
| Effects of: | | |
| Non-taxable income | (1,684,166) | (117,132) |
| Expenses not deductible for tax purposes | 527,940 | 2,296,696 |
| Impact of tax rate change | (1,791) | 41,963 |
| Adjustment to tax in respect of previous periods | 36,934 | 77,003 |
| Unrecognised movement on deferred tax | (15,220) | 356,689 |
| | <u>(200,262)</u> | <u>77,003</u> |
| Total tax (credit)/charge | <u>(200,262)</u> | <u>77,003</u> |

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

8. Tax credit on profit on ordinary activities (continued)

(c) Factors affecting future tax charge

The Company has an unrecognised deferred tax asset of £991,987 (2018: £1,171,111) which assumes the asset would unwind at a corporation tax rate of 17% (2018: 17%). The asset arises from timing differences between capital allowances and depreciation and also carried forward losses. It is potentially recoverable against future profits of the same trade, however a deferred tax asset has not been recognised in respect of this asset as recovery is uncertain.

The UK corporation tax rate was 19% at year end. However, a change to the UK corporation tax rate was substantively enacted in the Chancellor's Budget on 16 March 2016. The change will reduce the UK corporation tax rate from 19% to 17% from 1 April 2020. The enacted rate has been used in calculating the relevant unrecognised deferred tax balances.

9. Dividends on equity shares

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Amount recognised as distributions to equity holders in the period: | | |
| Interim dividend for the year ended 30 June 2018 of £69.68 (2018: £nil) per ordinary share | 5,221,077 | - |

10. Fixed asset investments

| | 2019 £ | 2018 £ |
|---|-------------|-----------|
| Cost and net book value of investment in subsidiary undertakings | | |
| At 1 July | 8,163,513 | 8,163,513 |
| Additions | 364,029 | 180 |
| Disposals | (5,221,077) | - |
| At 30 June | 3,306,645 | 8,163,693 |

Additions

On 27 March 2019 the company acquired the entire share capital of REG White Limited from its immediate subsidiary undertaking REG Windpower Limited as a dividend in specie.

Disposals

On 27 March 2019, the company disposed of its investments in REG White Limited and REG Bio-Power UK Limited, as part of a wider group reconstruction, to its immediate parent undertaking, REG Power Management Limited, by way of a distribution in specie for a value of £5,221,077.

On 31 October 2018, the company disposed of its investment in REG Hull limited for a consideration of £381,509.

On 19 June 2019, the company disposed of its investment in Highholm Renewable Energy Park Limited for a consideration of £25,000.

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

10. Fixed asset investments (continued)

Disposals (continued)

| | 2019 | 2018 |
|-----------------------------|-----------|----------|
| | £ | £ |
| Proceeds | 406,509 | 616,484 |
| Fees | (165,308) | (60,870) |
| Profit / (loss) on disposal | 241,201 | 555,614 |

During the prior year, the company received previously unrecognised contingent consideration of £500,000 and £36,484 in respect of the disposal of subsidiaries which took place during the year ended 30 June 2015 and 30 June 2014, respectively.

On 19 July 2017, call options for the Company's entire holding of Ordinary A-Ordinary shares of Greenburn and Knockodhar were sold to ESB Asset Developmented UK Limited ("ESB"). The substance of the agreement implies that control has been relinquished to ESB and as such the transactions have been treated as deemed disposals and therefore following the disposal date, the Company is accounting for these companies as associates. The consideration paid for the call options comprised of cash consideration of £40,000 each, so £80,000 in total. No disposal of investment cost has been recognised since the A-Ordinary shares are still owned.

Investments in associate undertakings

| Name of Company | Country of incorporation | Nature of business |
|------------------------|--------------------------|------------------------|
| REG Greenburn Limited | UK | Renewable Energy plant |
| REG Knockodhar Limited | UK | Renewable Energy plant |

The registered address of REG Greenburn Limited is 5 Atholl Crescent, Edinburgh EH3 8EJ.

The registered address of REG Knockodhar Limited is 2 Semple Street, Edinburgh, Scotland, EH3 8BL.

The Company holds 100% of the 'A' Ordinary shares, which represents 90% of the issued share capital. The remaining share capital consists of 'B' Ordinary shares, held by a co-investor, ESB, who has control of these entities due to call options in place.

Investment in subsidiary undertakings

The Company holds, except where stated, 100% of ordinary share capital of the following companies:

| Name of Company | Country of incorporation | Nature of business |
|--|--------------------------|------------------------|
| 1 Arras Wold Limited* ^ | UK | Renewable Energy plant |
| AIM PowerGen Limited* ^ | UK | Holding company |
| Avonmouth Windfarm Limited* ^ | UK | Renewable Energy plant |
| Cefn Y Maes Community Renewable Energy Park Limited* ^ | UK | Renewable Energy plant |
| Cheverton Down Wind Farm C.I.C.* ^ | UK | Renewable Energy plant |
| Mynydd Fforch Dwm Renewables Limited* ^ | UK | Renewable Energy plant |
| Nant Yr Allor Renewables Limited* ^ | UK | Renewable Energy plant |
| Ockendon Battery Storage Limited* ^ | UK | Renewable Energy plant |
| Ockendon Gas Limited* ^ | UK | Renewable Energy plant |
| REG Abergorki Limited* | UK | Renewable Energy plant |
| REG Blandford Hill Limited* ^ | UK | Renewable Energy plant |
| REG Chapel Farm Limited* ^ | UK | Renewable Energy plant |

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

10. Fixed asset investments (continued)

| Name of Company | Country of incorporation | Nature of business |
|-------------------------------------|--------------------------|------------------------|
| REG Chapmans Howe Limited* ^ | UK | Renewable Energy plant |
| REG Cheverton Down Limited* ^ | UK | Renewable Energy plant |
| REG Creagh JV Company Limited* ^ | UK | Holding company |
| REG Dalnessie Limited* ^ | UK | Renewable Energy plant |
| REG Dryholme Limited* ^ | UK | Holding company |
| REG French Farm Storage Limited* ^ | UK | Renewable Energy plant |
| REG Gascoigne Wood Limited* ^ | UK | Renewable Energy plant |
| REG High Pow II Holdings Limited* ^ | UK | Holding company |
| REG Highfield Limited* ^ | UK | Renewable Energy plant |
| REG Holdings Limited* | UK | Holding Company |
| REG Knockshinnoch Limited* ^ | UK | Renewable Energy plant |
| REG Langthwaite Limited* ^ | UK | Renewable Energy plant |
| REG Ling Hall Solar Limited* ^ | UK | Renewable Energy plant |
| REG Luson Farm Holdings Limited* ^ | UK | Holding company |
| REG Netley Solar North Limited* | UK | Renewable Energy plant |
| REG Netley Storage Limited* ^ | UK | Renewable Energy plant |
| REG Ockendon Solar Limited* | UK | Renewable Energy plant |
| REG Old Riverdon Limited* | UK | Renewable Energy plant |
| REG Outh Muir Holdings Limited* ^ | UK | Holding company |
| REG Outh Muir Limited* ^ | UK | Renewable Energy plant |
| REG Pines Tip Limited* ^ | UK | Renewable Energy plant |
| REG Power Management Limited | UK | Holding Company |
| REG Roskrow Barton II Limited* ^ | UK | Renewable Energy plant |
| REG Scarcewater Limited* ^ | UK | Renewable Energy plant |
| REG Solarpower Limited* ^ | UK | Renewable Energy plant |
| REG Strath Tirry Limited* ^ | UK | Renewable Energy plant |
| REG Touch Estate Limited* ^ | UK | Renewable Energy plant |
| REG Tranche 5 Holdings Limited* ^ | UK | Holding company |
| REG Ventongimps Limited* ^ | UK | Renewable Energy plant |
| REG Windpower Limited* | UK | Renewable Energy plant |

* Held by a subsidiary undertaking

^ Dormant company, not subject to individual audit

The companies listed above are mentioned using their current names.

The registered address of REG Dalnessie Limited is 2 Semple Street, Edinburgh, Scotland, EH3 8BL.

The registered office of REG Creagh JV Company Limited is Murray House, Murray Street, Belfast, Northern Ireland, BT1 6DN

The registered address of all remaining subsidiaries is Unit 3B, Damery Works, Damery Lane, Woodford, Berkeley, Gloucestershire, GL13 9JR, United Kingdom.

All investments relate to the ordinary share capital holdings of the Company.

Capital Contribution

The Company provided capital contributions to fellow group undertakings of £nil (2018: £174,027).

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

11. Tangible fixed assets

| | Leasehold improvements £ | Equipment fixtures and fittings £ | Total £ |
|------------------------|--------------------------------|--|------------|
| Cost | | | |
| At 1 July 2018 | 133,109 | 188,118 | 321,227 |
| Additions | - | 2,368 | 2,368 |
| Disposals | (133,109) | (33,636) | (166,745) |
| | <hr/> | <hr/> | <hr/> |
| At 30 June 2019 | - | 156,850 | 156,850 |
| Depreciation | | | |
| At 1 July 2018 | 120,730 | 136,192 | 256,922 |
| Charge for the year | 12,378 | 21,928 | 34,306 |
| Eliminated on disposal | (133,108) | (32,855) | (165,963) |
| | <hr/> | <hr/> | <hr/> |
| At 30 June 2019 | - | 125,265 | 125,265 |
| Net book value | | | |
| At 30 June 2019 | - | 31,585 | 31,585 |
| | <hr/> | <hr/> | <hr/> |
| At 30 June 2018 | 12,379 | 51,926 | 64,305 |
| | <hr/> | <hr/> | <hr/> |

12. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | - | 2,142,748 |
| Other debtors | 106,285 | 168,555 |
| VAT | 77,769 | - |
| Prepayments and accrued income | 38,664 | 71,701 |
| | <hr/> | <hr/> |
| | 222,718 | 2,383,004 |
| | <hr/> | <hr/> |

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

13. Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Trade creditors | 43,742 | 77,820 |
| Amounts owed to other group companies | 2,857,332 | 7,519,451 |
| Other taxation and social security costs | 24,263 | 73,560 |
| VAT | - | 61,870 |
| Other creditors | 92,348 | 55,655 |
| Accruals | 79,180 | 96,917 |
| | <u>3,096,865</u> | <u>7,885,273</u> |

14. Creditors: amounts falling due after one year

| | 2019 £ | 2018 £ |
|--------------------|-----------|------------------|
| Other loans | | |
| Over five years | <u>-</u> | <u>2,209,055</u> |

The other loan was repaid in full during the year.

15. Called-up share capital

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Allotted, called-up and fully paid: | | |
| 74,927 Ordinary shares of £1 each | <u>74,927</u> | <u>74,927</u> |

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

16. Reserves

Called-up share capital

Represents the nominal value of shares that have been issued.

Profit and loss account

Represents all current and prior period retained profits and losses.

REG Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

17. Financial commitments

Contingent liabilities

The Company is included in the group registration for VAT purposes and therefore jointly and severally liable for all other participating group undertakings' unpaid debts in this connection. The total liability for the VAT group at year end is £nil (2018: £61,870).

Capital commitments

As at the year end, there were no outstanding capital commitments (2018: £nil).

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases for land and buildings are as follows:

| | 2019 £ | 2018 £ |
|--------------------|-----------|-----------|
| Amounts due | | |
| - within one year | 20,250 | 27,275 |

18. Related party disclosures

The Company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

The Company had related party transactions with companies that are not wholly owned by the Group, specifically with REG Greenburn Limited and REG Knockodhar Limited, as follows:

- The Company has outstanding liabilities in respect of unpaid share capital with REG Greenburn Limited of £90 (2018: £90) and REG Knockodhar Limited £90 (2018: £90).
- Included within other creditors are outstanding liabilities in respect of the Group VAT registration, with REG Greenburn Limited of £58,693 (2018: £nil) and REG Knockodhar Limited £12,945 (2018: £nil).

The Group has incurred consultancy fees, management fees and expenses with certain related parties as follows:

| | Amounts charged to the income statement 2019 £ | Amounts payable at the year end 2019 £ | Amounts charged to the income statement 2018 £ | Amounts payable at the year end 2018 £ |
|---------------------------------------|---|---|---|---|
| Flow Media Solutions Ltd ¹ | 8,328 | - | 9,504 | - |

¹ A director of the Company has a close family member with voting rights in Flow Media Solutions Limited.

All transactions with the related parties are on arms-length basis.

Loans to directors

Unsecured loans totalling £nil (2018: £10,000) were made to the directors. The loans were not interest bearing with a maximum balance during the year of £10,000 (2018: £69,261) and balance at the year end of £nil (2018: £10,000). There were repayments of loans during the year of £10,000 (2018: £59,621).

REG Holdings Limited

Notes to the financial statements (continued)

For the year ended 30 June 2019

19. Ultimate parent undertaking

The ultimate parent undertaking is REG Power Holdings Limited, a company registered in England and Wales. The Registered Office of the ultimate parent undertaking is Unit 3B, Damery Works, Damery Lane, Woodford, Berkeley, Gloucestershire, GL13 9JR.

REG Power Holdings Limited prepares the consolidated financial statements and is the smallest and largest member of the group which prepares consolidated financial statements. The ultimate controlling parties are the shareholders of REG Power Holdings Limited.

The immediate parent entity is REG Power Management Limited.

20. Post balance sheet events

After the year end, on 22 August 2019, the subsidiary, REG Netley Solar North Limited was sold for consideration of £80,000. On 17 June 2020, the subsidiary, REG Ling Hall Solar Limited was also sold for consideration of £240,000.

The post balance sheet impact of the Covid-19 (Coronavirus) on the worldwide economy is only now starting to be seen. However, due to the nature of the company's trade, the directors do not believe there will be any significant financial impact on the company of the Covid-19 outbreak.