Company Registration No. 06000706 (England and Wales)

GREP1 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

GREP1 LIMITED

COMPANY INFORMATION

Directors	M Patel H A Unwin
Company number	06000706
Registered office	4th Floor The Peak 5 Wilton Road London United Kingdom SW1V 1AN
Auditor	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB

GREP1 LIMITED

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GREP1 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Fair review of the business
The principal activity of GREP1 Limited ("the Company") is the generation of electricity from renewable biomass fuels, primarily straw sourced from farms local to the Sleaford Renewable Plant. As well as generating electricity, the plant provides free heat to public buildings in Sleaford including the swimming pool, Primary School and North Kesteven District Council's office. This also reduces CO2 emissions as heating for buildings such as the Council would otherwise be using natural gas fired boilers.

The key financial and other performance indicators during the year were as follows:

	2021	2020
	£	£
Turnover	36,259,774	43,028,873
Operating profit	1,363,067	7,617,452
Profit/(loss) after tax	(23,284,086)	443,587
Equity shareholders' funds	(30,250,570)	16,391,264
Energy produced	206,663 MWh	297,328 MWh

Turnover has decreased in the year by £6,769,099 (16%) from 2020 . This decrease has been primarily due to an extended outage during the winter of 2020/2021. The plant has since returned to operation and has also benefitted from increased brown power prices across the market during the financial year. This decreased turnover resulted in decreased operating profit in the year. The refinancing of company debt in the year resulted in an early repayment fee of £14,000,000 together with the early release of £2,651,054 of previously deferred finance costs.

Principal risks and uncertainties
In the ordinary course of business, the company is exposed to and manages a variety of risks in relation to its activities. The management of risk is fundamental to the company, with the board of directors having responsibility for the overall system of internal control and for reviewing effectiveness.

The principal risks and uncertainties facing the company are broadly grouped as competitive, legislative, technical, revenue market, and financial instrument risk.
Competitive risk
The company is reliant on certain key suppliers for contracts which are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria. The board continually monitors these arrangements as part of the routine operation of the business.
Legislative risk
The company operates two primary legislative frameworks. The electricity generation asset operates under a Licence granted from the Environment Agency and UK Health and Safety Legislation and Guidance. Systems and controls have been implemented by management to ensure compliance and provide ongoing assurance that its activities remain compliant with the various requirements. These frameworks are subject to continuous revision and any new directive may have a material impact on the ability of the company to operate successfully. In addition, compliance imposes costs and failure to comply with the standards could materially affect the company's ability to operate.
Regulatory risk
Regulatory risk may arise from a change in regulations and law that might affect industry or business. Renewable energy projects are dependent for their commercial viability on a suitable regulatory regime. There is a risk that the government may introduce retrospective changes to the regime that was agreed at the time the project commenced. This is unusual in the market and changes to the regulatory regime are more typically for future projects.

Principal risks and uncertainties (cont)

Energy resource risk
Energy resource risk may arise if the amount of the renewable energy resource (straw) that is available for a given project is lower than the amount that is expected in the financial model. This risk is managed through close monitoring of straw levels held by local farmers and consideration of alternative fuel sources.

Technical risks
The company is exposed to technical risks with the operation of its biomass plant that could reduce availability for electricity generation, particularly with long lead times for certain components. To mitigate against this technical risk the company has contracted a team of experienced engineers who are responsible for monitoring and managing performance and advising on routine maintenance.
Revenue market risks
The company is exposed to the yields of the yearly straw harvest and changing market prices of electricity has a direct impact on the revenue and fuel and hence on profitability. These risks are managed by regularly updating the revenues forecast with the market price and straw harvest projections prepared by reputable consulting companies.

Customer offtake risk
The company is reliant on customers to offtake a certain quantity of heat in each calendar year in order for the plant to qualify under the CHPQA scheme for an additional 0.5 Renewable Obligations Certificates per MWh of electricity exported. Customer demand is uncertain and based on their operational criteria. The board continually monitors these arrangements as part of the routine operation of the business.

Covid-19
The Directors have assessed that that there is little impact from COVID-19 on the company's ability to operate. Social distancing measures have been implemented on company sites and contingency plans are in place to manage any cases that emerge.
Financial instrument risks
The company has disclosed the financial instrument risks in note 13.

GREP1 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Going concern

The financial statements reflect a loss before tax of approximately £23m, net current liabilities of approximately £131m and net liabilities of approximately £30m. It is noted that a significant proportion of the loss for the year, £16.7m, relates to the non cash impact of expensing debt issue costs following the settlement of the majority of the company's external bank debt and its replacement with shareholder funding. The shareholder funding due at 30 September 2021 of £118m is included as a current liability which is the reason for the net current liability position at 30 September 2021, the inclusion as a current liability reflects the legal terms of the shareholder loans rather than the intention. The other significant component of the net current liabilities is the inclusion of approximately £20.8m of the fair value of derivative financial instruments which do not represent a cash liability. Finally it is noted that a significant proportion of the net liabilities at 30 September 2021, £23.3m, arises due to the non cash impact of accounting for the fair value of energy price derivatives held at 30 September 2021.

In this context the directors have performed a going concern assessment, including a review of the Company's financial position, future operations, cash flow and covenant forecasts for the period to 30 June 2023. This assessment, which included stress testing of the forecasts, indicates that the Company will continue to be cash generative and meet its obligations as they fall due, including continuing to operate within its bank loan facilities for the period to 30 June 2023. The Company has received confirmation from its ultimate parent Greencoat Ceres Limited that it will not demand repayment of the loan or seek repayment of interest on this loan for at least a 12-month period unless the Company has sufficient cash to finance its ongoing obligations. The directors have considered the financial position of Greencoat Ceres and are satisfied that they have the ability and intent to offer this support. Consequently, the Directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

Following the outbreak of COVID-19, the wellbeing and safe working practices of the employees of the operation and maintenance service providers, asset managers and the local communities in which the company's plant is based is a high priority of the Company. The situation and Government's response to it continues to be monitored and assessed. The Company is working closely with relevant industry bodies and actively engaging stakeholders on risk management strategies. In line with Government guidance, changes to work procedures and certain work restrictions were applied across the portfolio of assets managed by Greencoat. Operations and maintenance have continued with social distancing and personal protective equipment has been used where social distancing has not been possible.

The Company has a power purchase agreement in place with a large and reputable provider of electricity to the market. The provider has been contacted to discuss their response to COVID-19 and business continuity plans. In the period since 2021 and up to the date of this report, there has been no significant impact on revenue and cash flows. Wholesale power prices in August-December were higher than forecast. Therefore, no allowance for any expected counterparty credit losses at investee company level has been made.

Based on the assessment outlined above, the Directors do not consider that there is a material uncertainty over the assessment of the Company as a going concern.

Future outlook

The directors will continue to maximise efficiency and generate as much electricity and profit subject to straw harvest, market influences on electricity prices and volatility in working capital. Management have implemented measures to secure sufficient fuel supply going forward. Research is ongoing regarding sourcing of suitable alternative fuel material.

Directors' Responsibilities Pursuant to Section 172 of the Companies Act 2006

The Directors are responsible for acting in a way that they consider, in good faith, is the most likely to promote the success of the Company for the benefit of its members. In doing so, they should have regard for the needs of stakeholders and the wider society, in both the short and long term. The Company's objective is to generate renewable electricity from the operation of its 39 MW straw fired biomass plant in Lincolnshire, United Kingdom whilst managing and mitigating the health and safety risks to those contractors and other stakeholders involved.

The Company engages with an independent health and safety consultant to audit the ongoing effectiveness of the Company's health and safety policies and the continued management and mitigation of health and safety risks. The Company also complies with all regulatory and planning conditions relating to the environment, including emissions to atmosphere, noise emissions, traffic management, habitat management and waste disposal, as well as engaging with the local community through sponsorships and annual contributions to community funds and social projects.

The Company also adopts a prudent approach to financial risk management to maintain and strengthen the Company's operations and business relationships with suppliers, customers, and other stakeholders. This is achieved through continuous monitoring of forecasted and actual cash flows and the retention of sufficient cash reserves to meet it ongoing obligations and mitigate against cash flow and liquidity risk.

Key decisions are those that are either material to the Company or are significant to any of the Company's key stakeholders. Any key decisions made or approved by the Directors during the year, were made with the overall aim of promoting the success of the Company while considering the impact on its members and wider stakeholders.

On behalf of the board

M Patel
Director

29 June 2022

H A Unwin
Director

29 June 2022

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Principal activities
The principal activity of the company continued to be that of the operation of a biomass electricity power plant.

Results and dividends
The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Patel
H A Unwin

Auditor
Azets Audit Services were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report

This report outlines GREP1 Limited's greenhouse gas (GHG) and energy usage for the year ending 30 September 2021, as required and, in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This SECR compliance statement is prepared for the period from 1 October 2020 to 30 September 2021, GREP1 Limited's second reporting year under the scheme.

Energy Type	Emission Type	Definition	MWh	Calculated Emission (Tonnes of CO_2e)
Diesel consumption	Scope 1 (Direct)	Boiler ignition	909	226
Diesel consumption	Scope 1 (Direct)	Onsite utilities	Based on total annual consumption of 12,963l pa. Conversion factor 2.75821kgCO2e/year	36
Electricity	Scope 2 (indirect)	Purchased electricity	1,824	387
Fuel	Scope 3 (indirect)	Delivery of input material*	Based on 177,718t of biomass fuel with conversion factors of 60.95408 kgCO2e for straw and 63.11534 kgCO2e for wood chip	10,886
Embodied carbon	Scope 3 (indirect)	The embodied carbon of fuel accounts for the emissions associated with its planting, growing and harvesting and includes items such as the use of fertilizer and emissions from farm machinery used for cultivation etc.	Based on 514,382 miles pa each way, conversion factors of 1.78511 kgCO2e incoming and 1.24626 kgCO2e return	1,547
		Total gross emissions		13,082

* The presented data only includes emissions from deliveries of straw and wood fuel to the site. Other deliveries are estimated to account for a very small contribution to the presented figure.

Quantification and reporting methodology

The company's approach to reporting is based on the CHG Reporting Protocol - Corporate Accounting and Reporting Standard. The GHG protocol is a multi-stakeholder partnership of businesses, non-government organisations, and governments, led by the World Resources Institute and the World Business Council for Sustainable Development. It serves as the premier source of knowledge on corporate GHG accounting and reporting and draws on the expertise and contribution of individuals and organisations from around world.

This information has been prepared following the 2019 UK Government Environmental Reporting Guidelines using the 2019 UK Government's Conversion Factors and financial control approach.

Intensity measurement

SECR regulations require a statement of relevant intensity ratios which are an expression of the quantity of emissions in relation to a quantifiable factor of the business activity. GREP1 Limited's chosen intensity measurement is tonnes of carbon dioxide equivalent (tCO2e) per kWh of electricity generated.

kWh of electricity generated	**Intensity ratio (tCO2e / kWh of electricity generated**
206,663	0.06

Measures taken to improve energy efficiency

The company is reducing its energy consumption and carbon footprint by minimising wastage and by monitoring, and where practicable improving, plant efficiency.

Financial Instruments

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

M Patel	H A Unwin
Director	**Director**
29 June 2022	29 June 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors are responsible for preparing the annual 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 GREP1 LIMITED

Opinion

We have audited the financial statements of GREP1 Limited (the 'company') for the year ended 30 September 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

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

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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Craig Yearsley FCCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

30 June 2022

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

GREP1 LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	36,259,775	43,028,873
Cost of sales		(22,875,659)	(22,312,420)
Gross profit		13,384,116	20,716,453
Administrative expenses		(12,021,049)	(13,591,856)
Other operating income		-	492,855
Operating profit	4	1,363,067	7,617,452
Interest receivable and similar income	6	227	11,999
Interest payable and similar expenses	7	(24,909,920)	(5,617,685)
Fair value movements on interest rate swap		262,540	(1,568,179)
(Loss)/profit before taxation		(23,284,086)	443,587
Tax on (loss)/profit	8	-	-
(Loss)/profit for the financial year		(23,284,086)	443,587

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GREP1 LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021	2020
	£	£
(Loss)/profit for the year	(23,284,086)	443,587
Other comprehensive expense		
Cash flow hedges loss arising in the year	(23,357,748)	-
Total comprehensive (expense) / income for the year	(46,641,834)	443,587

GREP1 LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Long-term deposit			600,000		600,000
Tangible assets	**9**		115,653,377		120,517,915
Investments	**10**		301,501		301,501
			116,554,878		121,419,416
Current assets					
Stocks	**13**	118,294		154,604	
Debtors	**14**	17,918,207		18,063,808	
Cash at bank and in hand		4,755,099		11,147,990	
		22,791,600		29,366,402	
Creditors: amounts falling due within one year	**15**	(153,628,608)		(24,833,645)	
Net current (liabilities)/assets			(130,837,008)		4,532,757
Total assets less current liabilities			(14,282,130)		125,952,173
Creditors: amounts falling due after more than one year	**16**		(13,915,993)		(107,652,283)
Provisions for liabilities					
Provisions	**18**	2,052,447		1,908,626	
			(2,052,447)		(1,908,626)
Net (liabilities)/assets			(30,250,570)		16,391,264
Capital and reserves					
Called up share capital	**19**		2,000		2,000
Share premium account			8,199,000		8,199,000
Hedging reserve			(23,357,748)		-
Capital redemption reserve			20,737,439		20,737,439
Profit and loss reserves			(35,831,261)		(12,547,175)
Total equity			(30,250,570)		16,391,264

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

M Patel
Director

H A Unwin
Director

Company Registration No. 06000706

GREP1 LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Share premium account	Hedging reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 October 2019	2,000	8,199,000	-	20,737,439	(12,990,762)	15,947,677
Year ended 30 September 2020:						
Profit and total comprehensive income for the year	-	-	-	-	443,587	443,587
Balance at 30 September 2020	2,000	8,199,000	-	20,737,439	(12,547,175)	16,391,264
Year ended 30 September 2021:						
Loss for the year	-	-	-	-	(23,284,086)	(23,284,086)
Other comprehensive expense:						
Cash flow hedges loss	-	-	(23,357,748)	-	-	(23,357,748)
Total comprehensive (expense) / income for the year	-	-	(23,357,748)	-	(23,284,086)	(46,641,834)
Balance at 30 September 2021	2,000	8,199,000	(23,357,748)	20,737,439	(35,831,261)	(30,250,570)

GREP1 LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	**23**		14,231,934		12,930,598
Investing activities					
Purchase of tangible fixed assets		(1,299,717)		(408,359)	
Interest received		227		11,999	
Net cash used in investing activities			(1,299,490)		(396,360)
Financing activities					
Proceeds from borrowings		127,066,000		16,007,004	
Repayment of bank loans		(116,595,682)		(27,787,970)	
Bank and swap interest paid		(29,795,653)		(4,748,638)	
Net cash used in financing activities			(19,325,335)		(16,529,604)
Net decrease in cash and cash equivalents			(6,392,891)		(3,995,366)
Cash and cash equivalents at beginning of year			11,147,990		15,143,356
Cash and cash equivalents at end of year			4,755,099		11,147,990

1 Accounting policies

Company information

GREP1 Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor The Peak, 5 Wilton Road, United Kingdom, SW1V 1AN.

The principal activity of GREP1 Limited (the "company") is the management and operation of a biomass power plant. The company generates electricity from renewable biomass fuels, primarily straw, sourced from local farms at the Sleaford Renewable Plant.

1.1 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.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 405 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The financial statements reflect a loss before tax of approximately £23m, net current liabilities of approximately £131m and net liabilities of approximately £30m. It is noted that a significant proportion of the loss for the year, £16.7m, relates to the non cash impact of expensing debt issue costs following the settlement of the majority of the company's external bank debt and its replacement with shareholder funding. The shareholder funding due at 30 September 2021 of £118m is included as a current liability which is the reason for the net current liability position at 30 September 2021, the inclusion as a current liability reflects the legal terms of the shareholder loans rather than the intention. The other significant component of the net current liabilities is the inclusion of approximately £20.8m of the fair value of derivative financial instruments which do not represent a cash liability. Finally it is noted that a significant proportion of the net liabilities at 30 September 2021, £23.3m, arises due to the non cash impact of accounting for the fair value of energy price derivatives held at 30 September 2021.
In this context the directors have performed a going concern assessment, including a review of the Company's financial position, future operations, cash flow and covenant forecasts for the period to 30 June 2023. This assessment, which included stress testing of the forecasts, indicates that the Company will continue to be cash generative and meet its obligations as they fall due, including continuing to operate within its bank loan facilities for the period to 30 June 2023. The Company has received confirmation from its ultimate parent Greencoat Ceres Limited that it will not demand repayment of the loan or seek repayment of interest on this loan for at least a 12-month period unless the Company has sufficient cash to finance its ongoing obligations. The directors have considered the financial position of Greencoat Ceres and are satisfied that they have the ability and intent to offer this support. Consequently, the Directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

1 Accounting policies **(Continued)**

Following the outbreak of COVID-19, the wellbeing and safe working practices of the employees of the operation and maintenance service providers, asset managers and the local communities in which the company's plant is based is a high priority of the Company. The situation and Government's response to it continues to be monitored and assessed. The Company is working closely with relevant industry bodies and actively engaging stakeholders on risk management strategies. In line with Government guidance, changes to work procedures and certain work restrictions were applied across the portfolio of assets managed by Greencoat. Operations and maintenance have continued with social distancing and personal protective equipment has been used where social distancing has not been possible.

The Company has a power purchase agreement in place with a large and reputable provider of electricity to the market. The provider has been contacted to discuss their response to COVID-19 and business continuity plans. In the period since 2021 and up to the date of this report, there has been no significant impact on revenue and cash flows. Wholesale power prices in August-December were higher than forecast. Therefore, no allowance for any expected counterparty credit losses at investee company level has been made.

Based on the assessment outlined above, the Directors do not consider that there is a material uncertainty over the assessment of the Company as a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. All revenue is received from UK sources

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment, and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset.

An item of tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Land is not depreciated. Depreciation is provided on property, plant and equipment at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Plant and equipment	4% per annum straight-line

1 Accounting policies **(Continued)**

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 Borrowing costs related to fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

In general cost is determined on a first-in, first-out basis and includes transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

1 Accounting policies **(Continued)**

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 creditors, 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. 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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

1 Accounting policies **(Continued)**

1.11 Hedge accounting

The company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.13 Provisions

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

The company records a provision for decommissioning costs for the present value of expected costs to settle any obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a risk free rate. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied are added to or deducted from the cost of the asset.

1.14 Dividend distributions

The company recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the company. A corresponding amount is recognised directly in equity.

1.15 Short term debtors and creditors

Debtors and creditors with no stated interest rates and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement as administration expenses.

2 Judgements and key sources of estimation uncertainty

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues, expenses, assets and liabilities, and the accompanying disclosures. In the course of preparing the company's financial statements no judgements have been made in the process of applying the company's accounting policies, other than in respect of those involving estimates as set out below. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the course of preparation of these financial statements, no judgements have been made in the application of accounting policies, other than in respect of those involving estimates as set out below:

(a) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(b) Decommissioning obligations

The company has recognised a provision for decommissioning obligations associated with the decommissioning of the plant and restoration of the site. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 30 September 2021 was £2,052,447. The company estimates that this liability will be realised in 18 years and has calculated the discount rate at 1.30% being the assessed risk free rate.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Electricity generated	14,889,884	12,583,786
ROCs	21,334,891	30,445,087
Other	35,000	-
	36,259,775	43,028,873

	2021	2020
	£	£
Other significant revenue		
Interest income	227	11,999

4 Operating profit

	2021	2020
Operating profit for the year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	17,500	16,100
Depreciation of owned tangible fixed assets	6,294,863	6,174,011

5 Employee, director and key management personnel information

None of the directors of the company received any remuneration during the period (2020: £nil) in respect of their services to the company as their services to the company are deemed negligible and wholly incidental to their duties to other interests of the ultimate parent. Other than the directors the company had no employees in the current or previous financial period. Consequently, the amount of remuneration payable to key management personnel is £nil (2020: £nil).

6 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	227	11,999

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	227	11,999

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,599,123	3,985,505
Shareholder loan interest	6,634,200	462,260
Bank charges and others	16,651,054	379,031
Interest rate swap payments	12,330	763,133
	24,896,707	5,589,929
Other finance costs:		
Unwinding of decommissioning provision	13,213	27,756
	24,909,920	5,617,685

8 Taxation

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
(Loss)/profit before taxation	(23,284,086)	443,587
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(4,423,976)	84,282
Tax effect of expenses that are not deductible in determining taxable profit	177,294	168,935
Change in unrecognised deferred tax assets	4,227,741	(294,435)
Group relief	18,941	41,218
Taxation charge for the year	-	-

9 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Plant and equipment	Total
	£	£	£	£
Cost				
At 1 October 2020	1,985,120	25,998	155,574,490	157,585,608
Additions	-	4,192	1,295,525	1,299,717
Decommissioning costs	-	-	130,608	130,608
Transfers	-	(16,872)	16,872	-
At 30 September 2021	1,985,120	13,318	157,017,495	159,015,933
Depreciation and impairment				
At 1 October 2020	-	-	37,067,693	37,067,693
Depreciation charged in the year	-	-	6,294,863	6,294,863
At 30 September 2021	-	-	43,362,556	43,362,556
Carrying amount				
At 30 September 2021	1,985,120	13,318	113,654,939	115,653,377
At 30 September 2020	1,985,120	25,998	118,506,797	120,517,915

Included within the cost of plant and equipment is £14,298,724 (2020 – 14,298,724) of capitalised interest in respect of intergroup borrowings and £10,615,208 (2020 – £10,615,208) in respect of bank borrowings.

10 Fixed asset investments

	Notes	2021	2020
		£	£
Investments in subsidiaries	11	301,501	301,501

11 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Lincolnshire Biomass Limited	England and Wales	Ordinary shares	100.00

The registered office of Lincolnshire Biomass Limited is 4th Floor The Peak, 5 Wilton Road, London, England, SW1V 1AN.

12 Financial instruments

	2021	2020
	£	£
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	25,556,089	8,144,881

Hedging arrangements

The company enters into commodity swaps to hedge revenue streams linked to power prices. The instrument is used to hedge the company's exposure to movements in the price payable for MWh of electricity generated. At September 2021, the outstanding contracts are expected to expire within 18 months of the year end. Cash flows will occur at 6 monthly intervals until 2023.

13 Stocks

	2021	2020
	£	£
Raw materials and consumables	118,294	154,604

The difference between purchase price or production cost of inventories and their replacement cost is not material. Inventories recognised as an expense in the period were £17,756,168 (2020 - £17,381,560).

14 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	3,447,191	2,082,008
Amounts owed by group undertakings	29,490	29,490
Other debtors	918,922	526,370
Prepayments and accrued income	13,522,604	15,425,940
	17,918,207	18,063,808

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	17	7,187,939	4,816,886
Other borrowings	17	118,605,106	16,007,015
Trade creditors		1,036,539	1,117,616
Amounts owed to group undertakings		628,577	1,088,033
Derivative financial instruments		20,754,536	1,454,810
Other creditors		4,431,478	-
Accruals and deferred income		984,433	349,285
		153,628,608	24,833,645

During the year the company's parent company, Greencoat Ceres Limited provided an additional unsecured loan of £106,276,443 to the company with interest payable at 6.74%. The loan is repayable on the earliest of demand or 30 September 2034. The terms of this loan (including further amounts borrowed - see note 18) are such that no repayments can be demanded to the extent that such repayment would cause the company to breach the terms of its bank facilities. Other amounts due to group undertakings are interest free, unsecured and repayable on demand.

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	17	9,114,440	100,962,212
Derivative financial instruments		4,801,553	6,690,071
		13,915,993	107,652,283

Amounts included above which fall due after five years are as follows:

	2021	2020
Payable by instalments	-	75,866,578

17 Loans and overdrafts

	2021 £	2020 £
Bank loans	16,302,379	105,779,098
Loans from group undertakings	118,605,106	16,007,015
	134,907,485	121,786,113
Payable within one year	125,793,045	20,823,901
Payable after one year	9,114,440	100,962,212

17 Loans and overdrafts (Continued)

The interest-bearing loans and borrowings are secured by way of first ranking fixed and floating charge and/or assignment by way of security over all assets and undertakings of GREP1 Limited including (without limitation) accounts (including authorised investments), insurances, land and intellectual property. The interest rate applied to the loans is 1.11% and 2.6%

The bank loans are repayable over the course of 27 months from this reporting date.

The terms of the shareholder loans are set out in note 16.

At 30 September 2021 the company had interest rate swap agreements in place with a notional amount of total £14,000,000 (2020: £103,597,068) whereby the company pays fixed rates of interest of 1.484% and receives an interest rates equal to LIBOR. (2020: LIBOR plus 0.025546%) on the notional amount.

18 Provisions for liabilities

	2021	2020
	£	£
Decommissioning provision	2,052,447	1,908,626

Movements on provisions:

	Decommissioning provision
	£
At 1 October 2020	1,908,626
Additional provisions in the year	130,608
Unwinding of discount	13,213
At 30 September 2021	2,052,447

The decommissioning provision provides for the future costs of decommissioning the generation plant. The provision has been discounted at an annual rate of 1.30% and this discount will be unwound and charged to the profit and loss account until 2039, the estimated date of decommissioning.

19 Share capital

	2021	2020	2021	2020
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary 'A' shares of 1p each	118,667	118,667	1,187	1,187
Ordinary 'B' shares of 1p each	81,333	81,333	813	813
	200,000	200,000	2,000	2,000

20 Capital commitments

At 30 September 2021 GREP1 Limited had capital commitments of £nil (2020: £178,666).

21 Related party transactions

During the year the Company entered into transactions in the ordinary course of business with other related parties. The Company has taken advantage of the exemption under FRS 102.33.1A which states "Disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member."

22 Ultimate controlling party

The immediate parent undertaking is CEP Biomass Limited, a company incorporated in England and Wales. The ultimate parent company is Greencoat Ceres Limited, a company incorporated in England and Wales. The directors consider that there is no ultimate controlling party with Greencoat Wilton LP, Greencoat Renewable Income LP, Greencoat Tothill LP, Greencoat Solar I LP, and to Greencoat Carlisle Place LP together holding 100 percent of the shares in Greencoat Ceres Limited.

Copies of the financial statements of Greencoat Ceres Limited may be obtained from the registered office at 4th Floor The Peak, 5 Wilton Road, London, SW1V 1AN.

23 Cash generated from operations

	2021	2020
	£	£
(Loss)/profit for the year after tax	(23,284,086)	443,587
Adjustments for:		
Finance costs	24,909,920	5,154,933
Interest received	(227)	(11,999)
Depreciation and impairment of tangible fixed assets	6,294,863	6,174,011
Fair value movement on interest rate swap	(262,540)	1,568,179
Fair value movement on energy derivative	1,866,000	-
Movements in working capital:		
Decrease in stocks	36,310	10,791
Decrease/(increase) in debtors	145,601	(1,073,463)
Increase in creditors	4,526,093	664,559
Cash generated from operations	14,231,934	12,930,598

Non-cash transactions

The company has entered into a hedge arrangement to hedge the company's exposure to movements in the price payable for electricity generation. £23,357,748 has been recognised as a liability with a corresponding amount recognised in the hedge reserve.

24 Analysis of changes in net debt

	1 October 2020	Cash flows	Other non-cash changes	30 September 2021
	£	£	£	£
Cash at bank and in hand	11,147,990	(6,392,891)	-	4,755,099
Borrowings excluding overdrafts	(121,786,113)	(10,137,977)	(2,983,395)	(134,907,485)
	(110,638,123)	(16,530,868)	(2,983,395)	(130,152,386)