REGISTERED NUMBER: 07596151 (England and Wales)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

FOR

KENT SOLAR LIMITED

KENT SOLAR LIMITED (REGISTERED NUMBER: 07596151)

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

KENT SOLAR LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

Directors:	G E Shaw Pinecroft Corporate Services Limited
Registered office:	C/O Foresight Group LLP The Shard 32 London Bridge Street London SE1 9SG
Registered number:	07596151 (England and Wales)
Auditors:	BDO LLP

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

Principal activity
The principal activity of the company during the year was the generation of electricity using solar technology.

Directors
The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

G E Shaw
Pinecroft Corporate Services Limited

Going concern
The Directors have a reasonable expectation that the company has adequate resources to be in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts.

Small company exemption
The directors have taken advantage of the small companies' exemptions provided by section 414B of the Companies Act 2006 and not prepared a strategic report.

Dividends

During the year the company has made a dividend distribution of £1,080,000 to its shareholders. SE Solar Limited has waived off the dividend.

Restructuring

During the year, the company capitalised all of its revaluation reserve of £9,052,437 by way of paying up bonus issue of 9,052,437 ordinary share of £1 each allotted to the parent company. On the same date the Company carried out a share capital reduction and cancelled share capital with a value of £9,052,437.

On 9 September 2021 the Company elected to subdivide the company's ordinary share of £1 into 1,000,000 ordinary shares of 0.0000001 and issued one ordinary share of £ 0.0000001 to the Company's Intermediate Parent entity Arcturus Solar Limited and subsequent released Arcturus Solar Limited from a debt of £1,006,303 which was treated as deemed distribution by the Company. This debt of £1,006,303 was fully impaired in the previous year and accordingly the provision has been reversed in profit or loss for the year ended 31 March 2022.

Furthermore, post allotting shares to Arcturus Solar Limited, the Company declared and paid dividend of £1,080,000 to Arcturus Solar Limited. SE Solar Limited has waived off the dividend.

REPORT OF THE DIRECTORS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

Statement of directors' responsibilities
The directors are responsible for preparing the Report of the Directors 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 international accounting standards in conformity with the requirements of the Companies Act 2006. 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; and
- 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.

Statement as to disclosure of information to auditors
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

G E Shaw - Director

16th March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT SOLAR LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Kent Sola Limited ("the Company") for the year ended 31 March 2022 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 UK adopted international accounting standards.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 Directors are responsible for the other information. The other information comprises the information included in the Report of the directors and financial statement for the year, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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.

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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

Auditor's responsibilities for the audit of the financial statements - continued

Extent to which the audit was 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

To identify and assess the risk of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company based on our understanding and sector experience and discussions with management. The most significant considerations for the Company are the Companies Act 2006, corporate taxes and VAT legislation.

- We enquired of management and obtained and reviewed relevant supporting documentation including correspondence with the relevant authorities, concerning the Company's policies and procedures relating to:
  - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - o detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
  - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Based on our understanding of the environment and assessment of the incentive and opportunity for fraud or material misstatement arising in respect of non-compliance with laws and regulations, we carried out the following procedures:

- We reviewed correspondence with the relevant authorities to identify any irregularities or instances of noncompliance with laws and regulations.

- We tested the appropriateness of accounting journals, including those relating to adjustments made in the preparation of the financial statements. We obtained access to the nominal ledger system to the complete population of all journals in the year to identify and substantively test any which we considered were indicative of management override.

- We reviewed the Company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Auditor's responsibilities for the audit of the financial statements - continued

Extent to which the audit was capable of detecting irregularities, including fraud - continued

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

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.

DocuSigned by:
Cindy Hrkalovic
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Cindy Hrkalovic (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

Date: 16 March 2023
Nottingham, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

KENT SOLAR LIMITED (REGISTERED NUMBER: 07596151)

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.3.22 £	31.3.21 £
Continuing operations			
Revenue		2,142,236	2,072,101
Cost of sales		(230,383)	(63,914)
Gross profit		1,911,853	2,008,187
Other operating income		-	40,432
Administrative expenses		(614,650)	(1,534,485)
Operating profit		1,297,203	514,134
Finance costs	4	(688,339)	(668,442)
Finance income	4	-	118
Profit/(loss) before tax	5	608,864	(154,190)
Tax charge	6	(615,473)	(58,748)
Loss for the year		(6,609)	(212,938)

The notes form part of these financial statements

KENT SOLAR LIMITED (REGISTERED NUMBER: 07596151)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	31.3.22 £	31.3.21 £
Loss for the year	(6,609)	(212,938)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Non-current asset revaluation	3,815,574	-
Income tax relating to item that will not be reclassified to profit or loss	(953,893)	-
Other comprehensive income for the year, net of income tax	2,861,681	-
Total comprehensive income for the year	2,855,072	(212,938)

The notes form part of these financial statements

KENT SOLAR LIMITED (REGISTERED NUMBER: 07596151)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

	Notes	31.3.22 £	31.3.21 £
Assets			
Non-current assets			
Owned			
Property, plant and equipment	9	21,835,082	19,360,495
Right-of-use			
Property, plant and equipment	9, 16	753,135	789,094
Trade and other receivables	10	1,031,977	1,420,187
		23,620,194	21,569,776
Current assets			
Trade and other receivables	10	558,141	801,292
Cash and cash equivalents	11	245,812	356,675
		803,953	1,157,967
Total assets		24,424,147	22,727,743
Equity			
Shareholders' equity			
Called up share capital	12	1	1
Revaluation reserve	13	3,815,574	9,052,437
Retained earnings	13	4,020,740	(1,984,892)
Total equity		7,836,315	7,067,546
Liabilities			
Non-current liabilities			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	11,433,655	12,302,258
Deferred tax	17	3,822,274	2,311,691
		15,255,929	14,613,949
Current liabilities			
Trade and other payables	14	339,549	163,681
Tax payable		58,783	-
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	933,571	882,567
		1,331,903	1,046,248
Total liabilities		16,587,832	15,660,197
Total equity and liabilities		24,424,147	22,727,743

The notes form part of these financial statements

continued...

KENT SOLAR LIMITED (REGISTERED NUMBER: 07596151)

STATEMENT OF FINANCIAL POSITION - continued
31 MARCH 2022

The financial statements were approved by the Board of Directors and authorised for issue on 16th March 2023 and were signed on its behalf by:

G E Shaw - Director

KENT SOLAR LIMITED (REGISTERED NUMBER: 07596151)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital £	Retained earnings £	Revaluation reserve £	Total £
Balance at 1 April 2020	1	(1,771,954)	9,052,437	7,280,484
Total comprehensive income				
Loss for the year	-	(212,938)	-	(212,938)
Balances at 31 March 2021	**1**	**(1,984,892)**	**9,052,437**	**7,067,546**
Balance at 1 April 2021	1	(1,984,892)	9,052,437	7,067,546
Other equity movement				
Transfer of revaluation reserve to retained earnings	-	9,052,437	(9,052,437)	-
Total other equity movement	**-**	**9,052,437**	**(9,052,437)**	**-**
Total Comprehensive Income				
Loss for the year	-	(6,609)	-	(6,609)
Other comprehensive income	-	(953,893)	3,815,574	2,861,681
Total comprehensive Income	**-**	**(960,502)**	**3,815,574**	**2,855,072**
Transactions with owners of the Company				
Dividend declared and paid	-	(1,080,000)	-	(1,080,000)
Waiver of loan to a shareholder	-	(1,006,303)	-	(1,006,303)
Total transactions with owners of the company	**-**	**(2,086,303)**	**-**	**(2,086,303)**
Balance at 31 March 2022	**1**	**4,020,740**	**3,815,574**	**7,836,315**

The notes form part of these financial statements

KENT SOLAR LIMITED (REGISTERED NUMBER: 07596151)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	2,096,274	1,512,868
Net cash from operating activities		2,096,274	1,512,868
Cash flows from investing activities			
Interest received		-	118
Bond loan reserve balances		388,210	174,938
Net cash from investing activities		388,210	175,056
Cash flows from financing activities			
Loan repayments in year		(794,450)	(781,428)
Payment of lease liabilities		(64,916)	(63,550)
Interest paid		(655,981)	(635,656)
Dividends paid		(1,080,000)	-
Net cash used in financing activities		(2,595,347)	(1,480,634)
(Decrease)/increase in cash and cash equivalents		(110,863)	207,290
Cash and cash equivalents at beginning of year	2	356,675	149,385
Cash and cash equivalents at end of year	2	245,812	356,675

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

1. **Reconciliation of profit/(loss) before tax to cash generated from operations**

	31.3.22	31.3.21
	£	£
Profit/(loss) before tax	608,864	(154,190)
Depreciation charges	1,386,355	1,335,299
Finance costs	688,339	668,442
Reversal of intercompany provision	(1,006,303)	-
Finance income	-	(118)
	1,677,255	1,849,433
Increase/(decrease) in trade and other receivables	243,151	(422,732)
Increase in trade and other payables	175,868	86,167
Cash generated from operations	2,096,274	1,512,868

2. **Cash and cash equivalents**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	245,812	356,675

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	356,675	149,385

	2021	Cashflows	Non-cashflows	2022
	£	£	£	£
Cash and cash equivalents	356,675	(110,863)	-	245,812
Bond loans secured	(12,382,455)	794,450	-	(11,588,005)
Lease liabilities	(802,370)	64,916	(41,767)	(779,221)
Net funds/(debt) including IFRS 16 lease liabilities	**(12,828,150)**	**748,503**	**(41,767)**	**(12,121,414)**

	2020	Cashflows	Non-cashflows	2021
	£	£	£	£
Cash and cash equivalents	149,385	207,290	-	356,675
Bond loans secured	(13,163,883)	781,428	-	(12,382,455)
Lease liabilities	(815,431)	63,550	(50,489)	(802,370)
Net funds/(debt) including IFRS 16 lease liabilities	**(13,829,929)**	**1,052,268**	**(50,489)**	**(12,828,150)**

1. **Statutory information**

Kent Solar Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparation
The company financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Measurement convention
The financial statements have been prepared under the historical cost convention except for property plant and equipment which is based on revaluation model.

New standards effective for these financial statements
The following amendments to accounting standards became effective for periods beginning on or after 1st January 2022:
- onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- references to Conceptual Framework (Amendments to IFRS 3).

The adoption of these standards has had no material impact on the company's financial statements.

New standards not yet effective
The following amendments are effective for the period beginning 1 January 2023:
- disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- definition of Accounting Estimates (Amendments to IAS 8); and
- deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:
- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants).

continued...

2. **Accounting policies - continued**

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities.
The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The most critical accounting policies and estimates in determining the financial position and results of the company are those requiring a greater degree of subjective or complete judgement. These are discussed below:

Fair value measurement

A number of assets and liabilities included in the companies financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the companies financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted).
- Level 2: Observable direct or indirect inputs other than Level 1 inputs.
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur. The company measures property, plant and equipment at fair value.

Plant and Equipment Estimated Useful Life

Each asset is subject to robust technical due diligence to assess the expected operational life span of the panels. Panels are typically covered under a 25 year performance warranty. The Company seeks to access projects with those reputable and proven equipment suppliers most able to demonstrate financial robustness being preferred.

The useful life of the equipment (25 years from new) is based on the best information available relating to this type of asset. The precise behaviour of these assets in the environment will become clearer over time. Should new information change this significantly it would have a material effect on the accounts.

Revaluation of Plant and Machinery

During the year the directors reflected the plant and machinery at fair value rather than carrying the asset at cost. This is considered appropriate in accordance with relevant accounting standards. Given the nature of the business which is derived principally from the Solar Farm being the plant and machinery it was the director's judgement that this revaluation would provide the users with more meaningful information

continued...

2. **Accounting policies - continued**

Revaluation of Plant and Machinery - continued

The directors estimated the fair value by engaging specialists in the management team to build a comprehensive discounted cash flow model. The main inputs into the model were future cash flows arising from revenue and operating and maintenance costs based on historic and contracted rates, discount rate of 6% with RPI inflation assumed to be 2.75% and a life of 25 years.

A table below illustrates the impact of changes in the assumptions on the valuation.

Change	**Impact**
Plus 1% on discount rate	Decrease in valuation of £1,293,640
Minus 1% on discount rate	Increase in valuation of £1,425,408
Plus 1% on RPI	Increase in valuation of £1,424,392
Minus 1% on RPI	Decrease in valuation of £1,994,210

The fair value of the PPE is a level 3 recurring fair value measurement. The closing balance (before fair value adjustment) was £18,019,508 revalued through other comprehensive income of £3,815,574 and the closing balance is £21,835,082.

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue from the generation of energy from the operational solar park is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the energy is generated as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue relating to the accrued income under the Feed-In-Tariff scheme ("FIT")

In line with the FIT scheme revenue is accrued for generation of electricity on a monthly basis. The generation tariff is index linked and fluctuates with inflation. The tariff is fixed by the Department for Business, Energy and Industrial Strategy and published by Ofgem.

Cash and cash equivalents
Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

continued...

2. **Accounting policies - continued**

Property, plant and equipment
Property, plant and equipment were initially stated at cost, and then subsequently at fair value, less accumulated depreciation, and any provision for impairment losses. Cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Valuation is calculated on the expected future discounted cashflows the asset is expected to generate as explained in the estimates and judgements section of the Financial Statements.

Any surplus arising on revaluation of the Solar Farm above cost is recognised in other comprehensive income.

Borrowing costs are expensed as incurred as they do not meet the capitalisation criteria under IAS 23, as the construction of the related assets does not require a substantial period of time. Items of property, plant and equipment are depreciated to their estimated residual values on a straight-line basis over their expected useful lives as follows:

Solar Photovoltaic (PV) assets - over 25 years - 4% straight line

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking account technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in the income statement.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

No provision has been made for the cost of decommissioning as the residual value of the panels and frames is expected to exceed the cost of clearing and restoring the site.

Impairment of non-financial assets

Carrying value of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

A previously recognised impairment will be revised insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

continued...

2. **Accounting policies - continued**

Financial instruments
Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, trade and other payables, amounts due to/from related parties and interest bearing loans and borrowings.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All normal purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell the financial assets.

De-recognition of financial assets and liabilities

A financial asset, or apportion of a financial asset, is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the company retains the right to receive the cash flow from the asset, but has assumed an obligation to pay them in full without material delay to a third party under "pass-through" arrangement, or
- the company has transferred the rights to receive cash flows from the asset and either:

(i) has transferred substantially all the risks and rewards of ownership of the asset; or
(ii) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). Financial liabilities are measured at amortised cost or FVTPL.

The classification of financial assets is based on the way a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at amortised cost if both of the following conditions are met and the financial asset or liability is not designated as at FVTPL:

- the financial asset is held with the objective of collecting or remitting contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held with the objectives of collecting contractual cash flows and selling the financial asset; and

continued...

2. **Accounting policies - continued**

Financial assets - continued

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables, amounts due to/from related companies trade and other payables and interest bearing borrowings. Based on the way these financial instruments are managed and their contractual cash flow characteristics, all the Company's financial instruments are measured at amortised cost using the effective interest method. The amortised cost of financial assets is reduced by impairment losses as described below. Interest income, foreign exchange gains and losses, impairments and gains or losses on derecognition are recognised through the statement of comprehensive income.

Trade receivables and trade payables are held at their original invoiced value, as the interest that would be recognised from discounting future cash flows over the short credit period is not considered to be material. Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short term. Cash and cash equivalents do not include other financial assets.

Impairment losses against financial assets carried at amortised cost are recognised by reference to any expected credit losses against those assets.

The simplified approach for calculating impairment of financial assets has been used for trade receivables. Lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

Loans from related parties and certain other receivables meet the criteria to be classified at amortised cost because they are held in a 'hold to collect' business model and meet the 'solely payments of principal and interest' ("SPPI") test and uses the general approach to calculate the expected credit loss. Under the general approach, at each reporting date, the company determines whether there has been a Significant Increase in Credit Risk (SICR) since initial recognition and whether the loan is credit impaired. If there has not been a SICR nor has the loan been credit impaired the company applies a 12 month credit loss alternatively the company applies a lifetime expected credit loss.

Lifetime expected credit loss are the losses that result from all possible default events over the expected life of the loan whereas 12-month expected credit loss are a portion of Lifetime expected credit loss that represent the credit loss that result from default events that are possible within 12 months of the reporting date.

Financial liabilities

Loans and accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

continued...

2. **Accounting policies - continued**

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. It also includes any adjustments in relation to prior periods.

Provision is made at current rates for deferred tax in respect of all timing differences that have originated but not reversed at the period end. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the net effect of future tax planning strategies.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leases
All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- leases of low value assets; and
- leases with a duration of 12 months or less.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a lease is identified in a contract the Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as the discount rate. It is re-measured when there is a change in future lease payments arising from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

continued...

2. **Accounting policies - continued**

Equity
Equity comprises the following:

- "Share capital" represents the nominal value of ordinary equity shares.
- "Retained earnings" include all current results as disclosed in the income statement.
- "Revaluation reserve" represents revaluation gain on plant and machinery.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The loan balances represent inter-company loans.

Going concern
The financial statements have been prepared on the going concern basis.

The company has continued to generate cashflow on top of servicing the bond loan.

The company's trading and business plan through to March 2024 which includes comprehensive cash flow forecasts ,show the group will have adequate resources to meet its liabilities for the foreseeable future and as least for 12 months from the date of approval of the financial statements. The forecasts specifically demonstrate that the company will continue to service the bond loan from its trading cashflow, and comply with all debt covenants. Accordingly the financial statements have been prepared on the going concern basis.

The company has benefitted from increased energy prices which are shown in the favourable results. This is expected to continue into the future. Inflation has also had a favourable impact on Feed In Tariff revenues, which are inflation linked.

3. **Employees and directors**

There were no staff costs or directors emoluments for the year ended 31 March 2022 nor for the year ended 31 March 2021.

The average monthly number of employees, including directors, during the year was nil (2021 – nil).

4. **Net finance costs**

	31.3.22	**31.3.21**
	£	**£**
Finance income:		
Deposit account interest	-	118

continued...

4. **Net finance costs – continued**

	31.3.22	31.3.21
	£	£
Finance costs:		
Interest payable	655,981	635,656
Interest on right of use asset	32,358	32,786
	688,339	668,442
Net finance costs	688,339	668,324

5. **Profit/(loss) before tax**

The profit before tax (2021 – loss before tax) is stated after charging/(crediting):

	31.3.22	31.3.21
	£	£
Depreciation - owned assets	1,340,987	1,290,699
Depreciation - assets on finance leases	45,368	44,601
Reversal of intercompany provision	(1,006,303)	
Auditors' remuneration	11,257	6,928

continued...

6. **Tax charge**

Analysis of income tax expense in the period

	31.3.22	31.3.21
	£	£
Current tax	58,783	-
Deferred tax	556,690	58,748
Total tax expense	615,473	58,748

Reconciliation of income tax expense:

The tax for the period is higher (2021: higher) than the standard rate of corporation tax in the UK (19% - 2021: 19%). The differences are explained below.

Factors that may affect future tax charges

The main rate of corporation tax in force at the balance sheet date was 19%. A resolution to retain the corporation tax rate from 1 April 2020 at 19% was passed on 17 March 2020, and is enacted from this date.

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

Reconciliation between the effective rate of tax and actual rate of tax

	31.3.22	31.3.21
	£	£
Profit/(loss) before tax	608,864	(154,190)
Tax at 19%	115,684	(29,296)
Expenses not deductible for tax purposes	(191,198)	-
Trading losses brought forward recognised in the period	-	88,044
Change in tax rates applied	690,987	-
Tax charge for the period	615,473	58,748

7. **Dividends**

	31.3.22	31.3.21
	£	£
Ordinary shares of 1.00 each		
Interim	1,080,000	-

Dividend declared and paid to Arcturus Solar Limited, the holder of 1 A ordinary share having value of £ 0.000001. SE Solar Limited, the holder of 1,000,000 A ordinary shares (value of £1) have waved off the dividend in its favour.

8. **Information about major customers**

Feed in Tariffs 2022 - £1,697,752 (2021 - £1,927,150) are received from a single Feed in Tariff licensee. Alternative Feed in Tariff licensees could also be used.

continued...

9. **Property, plant and equipment**

	Right of use assets	Plant and machinery
	£	£
COST/ VALUATION		
At 31 March 2020	859,525	20,651,194
Additions	17,703	-
At 31 March 2021	877,228	20,651,194
Additions	9,409	-
Reclassification of depreciation upon revaluation	-	(2,631,686)
Revaluations	-	3,815,574
At 31 March 2022	886,637	21,835,082
DEPRECIATION		
At 31 March 2020	43,533	-
Charge for the year	44,601	1,290,699
At 31 March 2021	88,134	1,290,699
Charge for the year	45,368	1,340,987
Reclassification of depreciation upon revaluation	-	(2,631,686)
At 31 March 2022	133,502	-
NET BOOK VALUE		
At 31 March 2020	815,992	20,651,194
At 31 March 2021	789,094	19,360,495
At 31 March 2022	753,135	21,835,082

The bond loan (Note 15) is secured over the assets of the company.

continued...

9. **Property, plant and equipment - continued**

If the Plant and machinery had not been revalued, it would have been included at the following historical cost:

	31.3.22	31.3.21
	£	£
Cost	16,645,979	16,645,979
Aggregate depreciation	6,378,466	5,712,844

The Plant and machinery was valued on a fair value basis on 31 March 2022 by Management.

Details of the valuation approach are set out in the judgements and estimates section of the annual report.

10. **Trade and other receivables**

	31.3.22	31.3.21
	£	£
Amount falling due within one year:		
Trade Debtors	174	13,705
VAT	24,989	834
Other Debtors	398,479	666,706
Intercompany	134,499	120,047
	558,141	801,292
Amount falling due more than one year:		
Other Debtors	1,031,977	1,420,187
Intercompany	-	-
	1,031,977	1,420,187
Aggregate amounts	1,590,118	2,221,479

Trade receivables are not material, if material the company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end.

As at 31 March 2021 £1,006,303 due from related parties had been credit impaired and lifetime expected credit losses represent the full value of the receivables. During the year current year, as a result of restructuring which is explained in note 12, the impairment has been reversed in profit or loss.

The main factors considered by the directors in determining the lifetime expected credit losses are that the counterparty is not sufficiently solvent to realise assets to repay the debt.

All non-current receivables are due within 25 years of 31 March 2021. None of these receivables have been subject to a significant increase in credit risk since initial recognition and, consequently, 12 month expected credit losses have not been recognised.

continued...

11. Cash and cash equivalents

	31.3.22	31.3.21
	£	£
Bank deposit account	245,812	356,675

12. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	31.3.22	31.3.21
		£	£
1,000,001	Ordinary	1	1

Breakup of shares:

Arcturus Solar Limited (Ordinary A)	1
SE Solar Limited	1,000,000
Total	**1,000,001**

On 9 September 2021 the company capitalised all of its revaluation reserve of £9,052,437 by way of paying up bonus issue of 9,052,437 ordinary share of £1 each allotted to the parent company. On the same date the Company carried out a share capital reduction and cancelled share capital with a value of £9,052,437.

On 9 September 2021 the Company elected to subdivide the company's ordinary share of £1 into 1,000,000 ordinary shares of 0.0000001 and issued one ordinary share of £ 0.0000001 to the Company's Ultimate Parent entity Arcturus Solar Limited and subsequent released Arcturus Solar Limited from a debt of £1,006,303 which was treated as deemed distribution by the Company. This debt of £1,006,303 was fully impaired in the previous year and accordingly the provision has been reversed in profit or loss for the year ended 31 March 2022.

Furthermore, post allotting shares to Arcturus Solar Limited, the Company declared and paid dividend of £1,080,000 to Arcturus Solar Limited. SE Solar Limited has waived off the dividend.

13. Reserves

	Retained earnings	Revaluation reserve	Totals
	£	£	£
At 1 April 2021	(1,984,892)	9,052,437	7,067,545
Loss for the year	(6,609)	-	(6,609)
Dividends	(1,080,000)		(1,080,000)
Fixed asset revaluation	-	3,815,574	3,815,574
Waiver of loan to a shareholder	(1,006,303)	-	(1,006,303)
Deferred tax on revaluation	(953,893)	-	(953,893)
Revaluation reserve movement	9,052,437	(9,052,437)	-
At 31 March 2022	4,020,740	3,815,574	7,836,314

continued...

14. Trade and other payables

	31.3.22 £	31.3.21 £
Current:		
Trade creditors	33,277	30,685
Amounts owed to group undertakings	245,770	27,976
Other creditors	60,502	105,020
	339,549	163,681

15. Financial liabilities - borrowings

	31.3.22 £	31.3.21 £
Current:		
Bond loans	899,494	850,206
Leases (see note 16)	34,077	32,361
	933,571	882,567
Non-current:		
Bond loans	10,688,511	11,532,249
Leases (see note 16)	745,144	770,009
	11,433,655	12,302,258

Terms and debt repayment schedule

	1 year or less £	2-5 years £	More than 5 years £	Totals £
Bond loans	899,494	2,786,924	7,901,587	11,588,005
Leases	34,077	110,761	634,383	779,221
	933,571	2,897,685	8,535,970	12,367,226

continued...

16. Leasing

Right-of-use assets

Minimum lease payments fall due as follows:

	31.3.22	31.3.21
	£	£
Gross obligations repayable:		
Within one year	64,739	63,974
Between one and five years	258,958	191,922
In more than five years	744,503	863,648
	1,068,200	**1,119,544**

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	31.3.22	31.3.21
	£	£
Lease liability at 1 April	802,370	815,431
Interest on lease liability recognised in Statement of Profit and Loss	32,358	32,786
Rent review adjustment	9,409	17,703
Lease repayment	(64,916)	(63,550)
Lease liability as at 31 March	**779,221**	**802,370**

17. Deferred tax

	31.3.22	31.3.21
	£	£
Balance at 1 April	2,311,691	2,252,943
Charged to profit & loss	556,690	58,748
Charged to other comprehensive income	953,893	-
Balance at 31 March	3,822,274	2,311,691

continued...

17. **Deferred tax - continued**

Deferred tax liabilities:

	31.3.22	31.3.21
	£	£
Fixed asset timing differences	3,822,274	2,355,369
Tax losses carried forward	-	(43,678)
Balance at 31 March	3,822,274	2,311,691

18. **Bonds**

On 2 May 2013 the company participated in a refinancing of the Solar Parks owned and operated by companies within its Group by the issue of an RPI linked bond. The company received £8,005,047 before costs and the rate of interest is 2.598%. The loan is repayable in six monthly instalments with the last due in August 2034. The instalments and interest are subject to an RPI uplift. The proceeds net of costs, which are being amortised over the life of the loan, were £7,479,864.

Under the terms of the bond the Company must keep cash in reserve to cover certain future costs and potential underperformance of electricity generation. These reserves are held in accounts not under the control of the Company and are shown in debtors due after one year. The equivalent reserves under its loans to the Solar Generating Companies are included in other creditors due after one year.

Under the terms of the bond the company is jointly and severally liable for all amounts due across all group companies. The total principle due under the bond at the year-end was £38,427,665 (2021 - £41,063,625) which represents a contingent liability. This amount is secured on the assets of the Company.

The only movement in loan and borrowing balances during the year related to debt repayments which are disclosed in the Statement of Cash Flows .

19. **Financial instruments**

Fair Value category
The financial assets and liabilities held by the Company for both 31 March 2022 and 31 March 2021 are measured at amortised cost in the financial statements.

	Carrying amount 31.3.22	Carrying amount 31.3.21
	£	£
Financial assets:		
Cash and cash equivalents	245,812	356,675
Trade and other receivables	532,690	699,567
Non current financial assets	1,031,977	1,420,187
Financial liabilities:		
Trade and other payables	339,549	109,681
Bond loan	11,588,005	12,382,455
Lease liability	779,221	802,370

continued...

20. **Financial risk management**

The company's principal financial assets and liabilities comprise trade receivables, cash, interest bearing loans and trade payables.

The company has exposure to the following risks from its use of financial instruments:

- Market risks, including foreign currency, commodity price, interest rate, inflation rate risks.
- Credit risk.
- Liquidity risk.

This note represents information about the company's exposure to each of the above risks and the company's objectives, policies and processes for assessing and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

21) Market risk
The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The company is not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the company operates.

The company does have some exposure to interest rate risk as the bond debt is a floating rate interest bearing loan. This is actively managed by monitoring cashflows and interest cover on a regular basis. The company does not intend to hold cash for the purpose of generating interest income.

b) Credit risk
The company's policy are aimed at minimising losses as a result of counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties . The counterparties used by the company are considered by management to be of appropriate credit rating. At each balance sheet date, the company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date are the carrying value of the financial assets.

c) Liquidity risk
Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company monitors its risks of shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and obligations. The following table sets out the contractual payments and maturities (including future interest charges) of financial liabilities.

Year ended 31 March 2022

	Less than 1 period	1 to 4 periods	>5 periods	Total
	£	£	£	£
Financial Liabilities				
Trade and other payables	339,549	-	-	339,549
Bond loan	1,186,568	4,801,425	8,556,393	14,544,386
Lease liability (gross)	64,739	258,958	744,503	1,068,200
				15,952,135

continued...

20. **Financial risk management – continued**

c) Liquidity risk – **continued**

Year ended 31 March 2021

	Less than 1 period £	1 to 4 periods £	>5 periods £	Total £
Financial Liabilities				
Trade and other payables	109,687	-	-	109,687
Bond loan	1,186,568	4,801,425	9,742,961	15,730,954
Lease liability (gross)	63,974	191,922	863,648	1,119,544
				16,960,185

d) Capital management
Management considers capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The company's policy is to finance its operations through group borrowings. It is the company's policy not to hold financial instruments for speculative purposes.

21. **Related party disclosure**

The amount of £257 (2021 - £nil) has been transferred to SE Solar Limited for short-term working capital requirements during the course of the year, totalling an outstanding amount of £20,790 (2021 - £ 20,533) at the year end.

Kent Solar Limited, acts as agent for the borrowers under the bond and occasionally receives and makes payments on their behalf. In relation to this concept Puriton Solar Limited owes £76,916 (2021 - £104,893) to Kent Solar Limited.

Kent Solar Limited participates in a refinancing of the solar parks owned and operated by companies within its group, and receives the released funds of the loan that are later transferred to Malmesbury Solar Limited, Puriton Solar Limited and Bridgewater Solar Limited (companies of the group), according to their participation in the loan.

The amount of £5,777 (2021 - £27,976) of working capital, released under the terms of the bond loan in August 2016 is owed to Malmesbury Solar Limited and £33,845 (2021 - £21,545) by Bridgewater Solar Limited. This is retained to address short term liquidity requirements in the company.

The amount of £1,006,303 (2021 - £nil) has been transferred to Arcturus Solar Limited which clears the provision.

During the year a dividend was paid to Arcturus Solar Limited for £1,080,000. SE Solar Limited waived any rights to a dividend.

continued...

22. **Ultimate controlling party**

The company is a wholly owned subsidiary of SE Solar Limited, which is in turn owned by Sparksun Limited. Sparksun Limited was owned by the KIAMCO UK Solar Fund which is the ultimate controlling party of the company.