REGISTERED NUMBER: 07743749 (England and Wales)

Report of the Directors and

Financial Statements for the Year Ended 31st December 2022

for

Upper Farringdon Limited

Contents of the Financial Statements
for the Year Ended 31st December 2022

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Company Information
for the Year Ended 31st December 2022

DIRECTORS:	A D K Brierley T J Rosser
REGISTERED OFFICE:	UK House 5th Floor 164-182 Oxford Street London United Kingdom W1D 1NN
REGISTERED NUMBER:	07743749 (England and Wales)
AUDITORS:	Ernst & Young LLP Bedford House Bedford Street Belfast BT2 7DT

Report of the Directors
for the Year Ended 31st December 2022

The directors present their report and the audited financial statements of Upper Farringdon Limited (the company) for the year ended 31st December 2022.

PRINCIPAL ACTIVITIES
The principal activity of the company is the operation of solar plants for the generation of solar power.

GOING CONCERN
The financial statements have been prepared on the going concern basis. The directors have determined based on recent trading and projected cash flows of the Renewable Energy Income Partnership II ("REIP II") Group, of which the company is a part, that the Group is able to meet its liabilities for a minimum of 12 months from the date of issuing these financial statements, including those arising from the cash sweep mechanism which is in operation between the company and Group. This assessment considered a review of the effect of the ongoing Ukraine-Russia conflict, together with foreign exchange rates, and the potential to adversely impact global economies, which has driven a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the company and revised projections, the above events are not expected to have a detrimental impact on the company's business.The directors will continue to monitor the situation and take any necessary actions to minimise the possible negative impact of these events. As consequence, the directors have concluded that all assets and liabilities remain fairly stated as at 31st December 2022.

As at 31st December 2022, the company had net current liabilities of £5,410,374 and net liabilities of £1,123,392, which included loans from the parent company of £5,466,731. The financial statements have been prepared on a going concern basis as the parent company, which is considered a going concern, has pledged its continuing support for a minimum of 12 months from the date of issuing these financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st January 2022 to the date of this report.

A D K Brierley
T J Rosser

Other changes in directors holding office are as follows:

L G Halstead - resigned 29th August 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the financial statements, the directors are required to:

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
  state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006. The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

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:

DocuSigned by:
Thomas Rosser
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T J Rosser - Director

Date: 27-Sep-23

Report of the Independent Auditors to the Members of
Upper Farringdon Limited

Opinion
We have audited the financial statements of Upper Farringdon Limited (the 'company') for the year ended 31st December 2022 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31st December 2022 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 Report of the Directors.

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 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 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.

Auditors' 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.

Explanation as to what extent 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, to detect irregularities, including fraud. 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 or intentional misrepresentations, or through collusion The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and Energy Regulation in the United Kingdom under Ofgem.
- We understood how Upper Farringdon Limited is complying with those frameworks by making enquiries of management and those charged with governance as to any fraud risk framework within the entity, including whether a formal fraud risk assessment is completed.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through management override and in response incorporated data analytics across manual journal entries in our audit approach.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and a regulations identified above. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business and enquiries of management.

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

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:
Ernst & Young LLP
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Michael Kidd (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Bedford House
Bedford Street
Belfast
BT2 7DT

Date: 27 September 2023

Upper Farringdon Limited

Statement of Income and Retained Earnings
for the Year Ended 31st December 2022

	Notes	31/12/22 £	31/12/21 £
TURNOVER		921,104	707,014
Cost of sales		(510,565)	(406,180)
GROSS PROFIT		410,539	300,834
Administrative expenses		(58,779)	(47,203)
		351,760	253,631
Other operating income	3	-	187,674
OPERATING PROFIT		351,760	441,305
Interest payable and similar expenses		(383,064)	(393,401)
(LOSS)/PROFIT BEFORE TAXATION		(31,304)	47,904
Tax on (loss)/profit		-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(31,304)	47,904
Retained earnings at beginning of year		(1,092,099)	(1,140,003)
RETAINED EARNINGS AT END OF YEAR		(1,123,403)	(1,092,099)

The notes form part of these financial statements

Upper Farringdon Limited (Registered number: 07743749)

Statement of Financial Position
31st December 2022

	Notes	31/12/22 £	31/12/21 £
FIXED ASSETS			
Tangible assets	5	4,483,366	4,612,883
CURRENT ASSETS			
Debtors: amounts falling due within one year	6	233,655	185,897
CREDITORS			
Amounts falling due within one year	7	(5,644,029)	(5,890,868)
NET CURRENT LIABILITIES		(5,410,374)	(5,704,971)
TOTAL ASSETS LESS CURRENT LIABILITIES		(927,008)	(1,092,088)
PROVISIONS FOR LIABILITIES	8	(196,384)	-
NET LIABILITIES		(1,123,392)	(1,092,088)
CAPITAL AND RESERVES			
Called up share capital	9	10	10
Share premium		1	1
Retained earnings		(1,123,403)	(1,092,099)
		(1,123,392)	(1,092,088)

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

The financial statements were approved by the Board of Directors and authorised for issue on .... and were signed on its behalf by:
27-Sep-23

DocuSigned by:
Thomas Rosser
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T J Rosser - Director

The notes form part of these financial statements

1. GENERAL INFORMATION

Upper Farringdon Limited (the company) is a private company, limited by shares, incorporated in and domiciled in the United Kingdom, registration number 07743749. The registered office is UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN.

The company is a wholly owned subsidiary of a group of companies of which the principal activities are that of operation of solar plants and the generation of solar power.

2. ACCOUNTING POLICIES

2.1 Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The financial statements are prepared in Sterling which is the functional currency of all entities in the group and are rounded to the nearest £. All amounts in the income statement relate to continuing operations. The company has no items of other comprehensive income for the current year or preceding financial period. Therefore no separate statement of other comprehensive income has been presented.

The following are the company's key sources of estimation uncertainty:

ROC Recycle Estimate
The company establishes accrued income in respect of the ROC recycle based on production for the period and applying externally available best estimates for the expected ROC recycle price for the period which is outstanding. Any difference between the estimate and the actual ROC recycle price is taken as revenue in the period in which the ROC recycle price is confirmed.

Decommissioning provision
The company has made a critical judgement and estimate with respect to the contingent liability in relation to decommissioning provision at the operational solar sites.

The company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. The directors believe that given the nature of the assets, the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets. Where the valuation of the company does not exceed the cost of decommissioning, the directors assume the lessor will not take title of the asset and therefore it is probable there will be an outflow to settle this restoration obligation. The directors will continue to monitor the situation at each balance sheet date.

During the year, a third party performed an assessment of the base cost of the decommissioning. The findings have resulted in material change in the cost estimate and therefore a provision has been recognised for the first time. The impact has resulted in a provision being raised for £196,384 impacting the balance sheet. As at 31 December 2022 there is no impact on the profit and loss.

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2. **ACCOUNTING POLICIES - continued**

2.2 Going concern

The financial statements have been prepared on the going concern basis as the parent undertaking has confirmed that it will meet the liabilities of the company as and when they fall due for a minimum of twelve months from the date of approving these financial statements. The directors have assessed that such support will be available should it be required. Factors supporting the assessment are as follows:

- The Renewable Energy Income Partnership II Limited and its subsidiaries (the 'Group') owns 15 solar PV plants which are generating cashflows throughout the year;
- All fifteen of the solar PV plants have Power and Energy Purchase Agreement (PPA) contracts which guarantee the electricity they produce a route to market for a period greater than 12 months from the date of approving these financial statements.
- The solar PV plants have Renewable Obligation Certificate (ROC) accreditation, which is a 20-year government subsidy administered by Office of Gas and Electricity Markets (OFGEM) which guarantees a stream of revenue as long as the plants are generating electricity, at a price to be determined based on demand;
- The Group's cashflow forecasts have utilised forward pricing curves and the directors have applied sensitivities and considered debt repayments due over the next 12 months. Even under sensitivities that apply a significant discount to the forward pricing curve the cashflow forecasts indicate cashflow headroom.

The directors have considered the effect of the ongoing Ukraine-Russia conflict, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the company and revised projections, the above events are not expected to have a detrimental impact on the company's cashflows to the extent that the Group is not a going concern and therefore the Group can provide support to the company should such support be required.

2.3 *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.

Revenue is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. **ACCOUNTING POLICIES - continued**

2.4 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of tangible assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the period of the lease
Plant and machinery	- 4% and 10% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

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2. **ACCOUNTING POLICIES - continued**

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.9 Operating leases

Rentals under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

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2. **ACCOUNTING POLICIES - continued**

2.14 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation

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

Deferred taxation

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting end date.

2.15 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of income and retained earnings.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

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2. ACCOUNTING POLICIES - continued

2.16 Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by transfer of economic benefit, and a reliable estimate can be made of amount of the obligations.

Provision for decommissioning is recognised in full against a corresponding decommissioning asset, at the commencement of production. The amount recognised is the discounted value of the estimated future expenditure determined in accordance with local conditions and requirements. Any movement in the provision is recognised in Statement of income and retained earnings in the year. Any change in the present value of the estimated expenditure is reflected in an adjustment to the provision.

3. OTHER OPERATING INCOME

	31/12/22	31/12/21
	£	£
Liquidated Damages	-	187,674
	-	187,674

4. EMPLOYEES AND DIRECTORS

The company had no employees during the year. The directors did not receive any remuneration (year ended 31st December 2021 - £nil)

5. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Totals
	£	£	£
COST			
At 1st January 2022	8,155	6,427,501	6,435,656
Additions	-	206,948	206,948
At 31st December 2022	8,155	6,634,449	6,642,604
DEPRECIATION			
At 1st January 2022	2,147	1,820,626	1,822,773
Charge for year	327	336,138	336,465
At 31st December 2022	2,474	2,156,764	2,159,238
NET BOOK VALUE			
At 31st December 2022	5,681	4,477,685	4,483,366
At 31st December 2021	6,008	4,606,875	4,612,883

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6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/22	31/12/21
	£	£
Trade debtors	104,135	68,307
Prepayments and accrued income	129,520	117,590
	233,655	185,897

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/22	31/12/21
	£	£
Trade creditors	668	2,596
Amounts owed to group undertakings	5,466,731	5,781,301
Other creditors	146,531	75,861
Accruals and deferred income	30,099	31,110
	5,644,029	5,890,868

The amounts owed to group undertakings are unsecured loans with year end balances totalling £5,466,731 (31st December 2021: £5,781,301). The loans bear interest at 6.7% and are repayable on demand.

8. PROVISIONS FOR LIABILITIES

	31/12/22	31/12/21
	£	£
At beginning of period	-	-
Additional provisions for the year	196,384	-
At end of period	196,384	-

A decommissioning provision has been recognised in the year to provide for the future costs of decommissioning the solar plants owned by the company in order to generate solar power.

The provision has been created on 31st December 2022 and discounted at an annual rate of 2.65%. This discount will be unwound and charged to Statement of income and retained earnings until 29 January 2040, as the estimated date of decommissioning.

9. CALLED UP SHARE CAPITAL

	31/12/22	31/12/21
Allotted, called up and fully paid	£	£
1,000 (31st December 2021: 1,000) Ordinary shares of £0.01	10	10
20 (31st December 2021: 20) Deferred shares of £0.00001 each.	-	-

10. **CONTINGENT LIABILITIES**

The company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. The directors believe that given the nature of the assets, the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets and as such the directors do not believe that an outflow is probable to settle this restoration obligation. The directors will continue to monitor the situation at each balance sheet date.

11. **RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31st December 2022 it was a wholly owned subsidiary.

12. **COMMITMENTS UNDER OPERATING LEASES**

The company has future minimum lease payments under non-cancellable operating leases as follows:

	31/12/22	31/12/21
	£	£
No later than one year	57,719	53,032
Later than one year and no later than five years	230,876	212,128
Later than five years	698,408	694,721
Future minimum lease payments	987,003	959,881

13. **ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate parent undertaking and the parent undertaking of the smallest and largest group of which this company is a member, and for which consolidated financial statements are prepared is Renewable Energy Income Partnership II Limited. Copies of the group financial statements of Renewable Energy Income Partnership II Limited can be obtained from UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN.

The immediate parent undertaking of Renewable Energy Income Partnership II Limited is Nonghyup Bank in its capacity as Trustee for and on behalf of KB UK Solar Energy Private Special Asset Fund (the 'Fund') (previously Kiamco UK Solar Fund II), an investment trust registered in South Korea. Korea Investment Holdings Co., Ltd. is the ultimate parent undertaking, having 99.79% interest in the Fund. No one individual holds more than 25% of the shares of Korea Investment Holdings Co., Ltd.