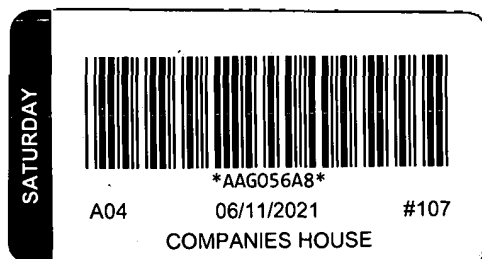


REGISTERED NUMBER: 07743991 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31st December 2020
for
Jura Solar Limited



Jura Solar Limited

Contents of the Financial Statements
for the Year Ended 31st December 2020

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Jura Solar Limited

Company Information
for the Year Ended 31st December 2020

DIRECTORS:

C P Gaydon
L G Halstead
T Rosser

REGISTERED OFFICE:

6th Floor 33 Holborn
London
England
EC1N 2HT

REGISTERED NUMBER:

07743991 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory
Independent Auditors
Level 5 and 6
Central Square South
Orchard Street
Newcastle Upon Tyne
NE1 3AZ

SECRETARY:

Octopus Company Secretarial Services Ltd
6th Floor 33 Holborn
London
England
United Kingdom
EC1N 2HT

Jura Solar Limited

Report of the Directors for the Year Ended 31st December 2020

The directors present their report and the audited financial statements of Jura Solar Limited (the company) for the year ended 31st December 2020.

PRINCIPAL ACTIVITIES

The company's principal activity is the operation of solar plants and the generation of solar power.

GOING CONCERN

As at 31st December 2020, the company had net current liabilities of £25,426,349, however the directors have obtained confirmation that a notice of repayment on the unsecured loan will not be made within 12 months of the signing of these financial statements. The directors have prepared forecasts and reviewed capital requirements for the 12 months from the date of approving these financial statements, which indicate the business can continue trade for at least 12 months from the date of approval of these financial statements.

Furthermore, the directors have reassessed the market for power pricing and noted that the Company remains able to meet its obligations with the most up-to-date external projections of power price reductions in response to COVID-19. In addition, the directors have performed an assessment of the projected cashflows for the 12 months from the date of approving these financial Statements and consider that there is no reasonable further reduction in revenue pricing which could compromise the ability of the Company to meet its obligations as they fall due. As such these financial statements have been prepared on a going concern basis.

DIRECTORS

The following Directors held office during the year/period and up to the date of signing the financial statements were:

T Rosser - 19th April 2019
C P Gaydon - appointed 19th March 2020
S Goss - resigned 19th March 2020
L G Halstead - appointed 19th March 2020
D Hastings - resigned 19th March 2020
P S Latham - resigned 19th March 2020

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", 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:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Jura Solar Limited

Report of the Directors
for the Year Ended 31st December 2020

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

SMALL COMPANY EXEMPTION

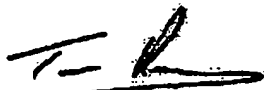
In preparing this report, the directors have taken advantage of the small companies' exemptions provided by Section 415A of the companies Act 2006.

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.

INDEPENDENT AUDITORS

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

ON BEHALF OF THE BOARD:



.....
T Rosser - Director

Date: 4th November 2021

Independent auditors' report to the members of Jura Solar Limited

Report on the audit of the financial statements

Opinion

In our opinion, Jura Solar Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared 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", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Income Statement, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the members of Jura Solar Limited (continued)

Reporting on other information (continued)

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Report of the Directors

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 year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 of inappropriate journal entries to overstate profit. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of board minutes;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulation;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular their anti-bribery controls; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of Jura Solar Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle
4 November 2021

Jura Solar Limited

Income Statement
for the Year Ended 31st December 2020

		Year Ended 31/12/20 £	Period 1/7/19 to 31/12/19 £
	Note		
TURNOVER	3	2,813,469	1,391,321
Cost of sales		<u>(2,200,068)</u>	<u>(1,015,718)</u>
GROSS PROFIT		613,401	375,603
Administrative expenses		<u>(290,183)</u>	<u>(556,854)</u>
		323,218	(181,251)
Other operating income		<u>6,583,529</u>	<u>-</u>
OPERATING PROFIT/(LOSS)	4	6,906,747	(181,251)
Interest payable and similar expenses	6	<u>(2,159,867)</u>	<u>(1,727,396)</u>
PROFIT/(LOSS) BEFORE TAXATION		4,746,880	(1,908,647)
Tax on profit/(loss)	7	<u>(19,125)</u>	<u>(53,191)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>4,727,755</u>	<u>(1,961,838)</u>

The notes form part of these financial statements

Jura Solar Limited (Registered number: 07743991)

Statement of Financial Position
31st December 2020

	Note	31/12/20 £	31/12/19 £
FIXED ASSETS			
Tangible assets	8	24,696,893	26,028,829
CURRENT ASSETS			
Debtors	9	958,690	693,303
Cash at bank and in hand		<u>625,901</u>	<u>1,903,880</u>
		1,584,591	2,597,183
CREDITORS			
Amounts falling due within one year	10	<u>(27,010,940)</u>	<u>(43,568,172)</u>
NET CURRENT LIABILITIES		<u>(25,426,349)</u>	<u>(40,970,989)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(729,456)	(14,942,160)
PROVISIONS FOR LIABILITIES	11	<u>(912,279)</u>	<u>(893,154)</u>
NET LIABILITIES		<u>(1,641,735)</u>	<u>(15,835,314)</u>
CAPITAL AND RESERVES			
Called up share capital	12	946,583	-
Share premium account	13	8,519,241	-
Accumulated losses		<u>(11,107,559)</u>	<u>(15,835,314)</u>
TOTAL SHAREHOLDERS' DEFICIT		<u>(1,641,735)</u>	<u>(15,835,314)</u>

The financial statements on pages 7 to 19 were approved by the Board of Directors and authorised for issue on 4th November 2021 and were signed on its behalf by:



.....
T Rosser - Director

The notes form part of these financial statements

Jura Solar Limited

Statement of Changes in Equity
for the Year Ended 31st December 2020

	Called up share capital £	Shares premium £	Accumulated losses £	Total equity £
Balance at 1st July 2019	-	-	(13,873,476)	(13,873,476)
Changes in equity				
Total comprehensive expense	-	-	(1,961,838)	(1,961,838)
Balance at 31st December 2019	-	-	(15,835,314)	(15,835,314)
Changes in equity				
Total comprehensive income	-	-	4,727,755	4,727,755
Issue of share capital	946,583	8,519,241	-	9,465,824
Balance at 31st December 2020	946,583	8,519,241	(11,107,559)	(1,641,735)

The notes form part of these financial statements

Jura Solar Limited

Statement of Cash Flows
for the Year Ended 31st December 2020

		Year Ended 31/12/20 £	Period 1/7/19 to 31/12/19 £
Net Cash flows from operating activities	Notes		
Cash generated from operations	14	(2,204,049)	2,213,652
Interest paid		<u>(1,382,742)</u>	<u>(1,398,744)</u>
Net cash from operating activities		<u>(3,586,791)</u>	<u>814,908</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(95,379)</u>	<u>(2,537)</u>
Net cash used in investing activities		<u>(95,379)</u>	<u>(2,537)</u>
Cash flows from financing activities			
Share issues		9,465,823	-
Repayments of group undertakings		(11,220,844)	-
Receipt of amounts from group undertakings		<u>4,159,212</u>	<u>595,937</u>
Net cash used in financing activities		<u>2,404,191</u>	<u>595,937</u>
(Decrease)/increase in cash in the year		<u>(1,277,979)</u>	<u>1,408,308</u>
Cash and cash equivalents at start of year	14	<u>1,903,880</u>	<u>495,572</u>
Cash and cash equivalents at the end of year	14	<u><u>625,901</u></u>	<u><u>1,903,880</u></u>

The notes form part of these financial statements

1. GENERAL INFORMATION

Jura Solar Limited is a private company, limited by shares, incorporated in and domiciled in the United Kingdom, registration number 07743991. The registered office is 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The company's principal activity is the 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 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 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 Company has not made any critical judgements in applying the entity's accounting policies with the exception of the contingent liability in relation to the decommissioning provision. See note 15 for details.

The company has not made any critical accounting estimates and assumptions in applying its accounting policies.

The following principal accounting policies have been applied:

2.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows an entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from disclosing the Company's key management personnel compensation as required by FRS 102 para 33.7.
- from disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31st December 2020 it was a wholly owned subsidiary.

2.3 Going concern

As at 31st December 2020, the company had net current liabilities of £25,426,349, however the directors have obtained confirmation that a notice of repayment on the unsecured loan will not be made within 12 months of the signing of these financial statements. The directors have prepared forecasts and reviewed capital requirements for the 12 months from the date of approving these financial statements, which indicate the business can continue trade for at least 12 months from the date of approval of these financial statements.

2. ACCOUNTING POLICIES - continued

2.3 Going concern

Furthermore, the directors have reassessed the market for power pricing and noted that the Company remains able to meet its obligations with the most up-to-date external projections of power price reductions in response to COVID-19. In addition, the directors have performed an assessment of the projected cashflows for the 12 months from the date of approving these financial Statements and consider that there is no reasonable further reduction in revenue pricing which could compromise the ability of the Company to meet its obligations as they fall due. As such these financial statements have been prepared on a going concern basis.

2.4 Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings within administrative expenses.

2.5 Revenue

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 derived from the electricity generated by solar farms and is recognised on an accruals basis in the period in which it is generated.

2.6 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 comprehensive income.

2. ACCOUNTING POLICIES - continued

2.7 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 statement of income and retained earnings, 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 amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and retained earnings.

2.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Operating leases

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

2.10 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 or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

2. ACCOUNTING POLICIES - continued

2.10 Taxation - continued

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.11 Financial instruments

The Company applies section 11 and 12 of FRS102 with respect to the recognition and measurement of financial instruments. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of income and retained earnings. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2.12 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.13 Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

2.14 Share Capital

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

3. TURNOVER

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

4. OPERATING PROFIT/(LOSS)

	Year Ended 31/12/20 £	Period 1/7/19 to 31/12/19 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	7,250	5,125
Operating lease rental payments	220,785	93,261
Other income	<u>6,583,529</u>	<u>-</u>

Included in other operating income is a write off of part of the shareholder loan held with the previous parent company.

5. **EMPLOYEES AND DIRECTORS' REMUNERATION**

The Company had no employees during the year. The Directors did not receive or waive remuneration (last period - nil)

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year Ended 31/12/20 £	Period 1/7/19 to 31/12/19 £
Interest payable	<u>2,159,867</u>	<u>1,727,396</u>

7. **TAX ON PROFIT/(LOSS)**

	Year Ended 31/12/20 £	Period 1/7/19 to 31/12/19 £
(a) Analysis of charge in the period		
Current tax		
UK corporation tax on profit/(loss) for the year	<u>-</u>	<u>-</u>
Deferred Tax		
Origination and reversal of timing differences	(85,952)	3,500
Adjustments in respect of prior years	-	(368)
Effect of tax rate change on opening balance	<u>105,077</u>	<u>50,059</u>
Total deferred tax (note 11)	<u>19,125</u>	<u>53,191</u>
Tax on Profit/(loss)	<u>19,125</u>	<u>53,191</u>

(b) Factors affecting total tax charge for the period:

The tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK of 19% (2019: 19%).

	Year Ended 31/12/20 £	Period 1/7/19 to 31/12/19 £
Reconciliation of tax charge		
Profit/(loss) before tax	4,746,880	(1,908,647)
Tax on profit/(loss) before tax at standard UK tax rate of 19.00% (2019: 19.00%)	901,907	(362,643)
Effects of:		
Expenses not deductible for tax purposes	5,398	2,720
Income not taxable for tax purposes	(1,149,100)	-
Group relief surrendered	209,571	363,423
Remeasurement of deferred tax for changes in tax rates	99,421	(368)
Deferred tax not recognised	(48,072)	-
Adjustment from previous periods	<u>-</u>	<u>50,059</u>
Tax charge for the period above below	<u>19,125</u>	<u>53,191</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

7. **TAX ON PROFIT/(LOSS) - continued**

Factors that may affect the tax charge

In the Spring budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. Therefore deferred taxes at the balance sheet date continue to be measured as a tax rate of 19%.

In the Spring budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would remain at 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

There are no other factors expected to materially affect the tax charge in future years.

8. **TANGIBLE ASSETS**

	Plant and machinery £
COST	
At 1st January 2020	33,703,047
Additions	<u>95,379</u>
At 31st December 2020	<u>33,798,426</u>
ACCUMULATED DEPRECIATION	
At 1st January 2020	7,674,218
Charge for year	<u>1,427,315</u>
At 31st December 2020	<u>9,101,533</u>
NET BOOK VALUE	
At 31st December 2020	<u>24,696,893</u>
At 31st December 2019	<u>26,028,829</u>

9. **DEBTORS**

	31/12/20 £	31/12/19 £
Trade debtors	51,940	157,530
Other debtors	4,086	490
Prepayments and accrued income	<u>902,664</u>	<u>535,283</u>
	<u>958,690</u>	<u>693,303</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/20 £	31/12/19 £
Trade creditors	2,664	-
Amounts owed to group undertakings	26,689,900	39,557,937
Other creditors	180,803	203,189
Accruals and deferred income	<u>137,573</u>	<u>3,807,046</u>
	<u>27,010,940</u>	<u>43,568,172</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR -continued

Included within amounts owed to group undertakings are unsecured loans of £26,689,900 payable to the company's immediate parent company, ORIT UK Acquisitions Limited. This loan bears interest at 5% and the loan is repayable upon receipt of a notice of repayment. The directors have obtained confirmation that a notice of repayment will not be made within 12 months of signing these financial statements.

For the period ending 31 December 2019, amounts owed to group undertakings related to unsecured loan notes of £39,557,937 payable to the company's previous parent company. This loan was repaid on 19 March 2020.

11. DEFERRED TAXATION

	31/12/20	31/12/19
	£	£
Fixed asset timing differences	1,008,888	893,154
Short term timing differences	(30,374)	-
Losses and other deductions	<u>(66,235)</u>	<u>-</u>
Total deferred tax liability	<u>912,279</u>	<u>893,154</u>
Movement in provision		
Provision at start of period	893,154	839,963
Deferred tax charged in the profit and loss for the period	<u>19,125</u>	<u>53,191</u>
Provision at the end of the period	<u>912,279</u>	<u>893,154</u>

12. CALLED UP SHARE CAPITAL

	31/12/20	31/12/19
	£	£
Allotted, called up and fully paid		
9,465,823 (Last period: 2) Ordinary share of £0.10	<u>946,583</u>	<u>-</u>

13. SHARE PREMIUM ACCOUNT

	31/12/20	31/12/19
	£	£
9,465,823 (Last period: £nil) Ordinary share of £0.9	<u>8,519,241</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

14. NOTES TO THE STATEMENT OF CASH FLOW

14.1 Reconciliation of loss before taxation to cash generation from operations

	Year Ended 31/12/20 £	Period 1/7/19 to 31/12/19 £
Loss before taxation	4,746,880	(1,908,647)
Depreciation charges	1,427,315	710,232
Finance costs	2,159,867	1,727,396
Other income	<u>(6,583,529)</u>	<u>-</u>
	1,750,533	528,981
Decrease in trade and other debtors	(265,387)	1,319,501
(Decrease)/increase in trade and other creditors	<u>(3,689,195)</u>	<u>365,170</u>
Cash generated from operations	<u>(2,204,049)</u>	<u>2,213,652</u>

14.2 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 31st December 2020

	31/12/20 £	1/1/20 £
Cash and cash equivalents	<u>625,901</u>	<u>1,903,880</u>

Period ended 31st December 2019

	31/12/19 £	1/7/19 £
Cash and cash equivalents	<u>1,903,880</u>	<u>495,572</u>

14.3 Analysis of Changes in net debt

	At 1/1/20 £	Cash flow £	At 31/12/20 £
Net cash			
Cash at bank	<u>1,903,880</u>	<u>(1,277,979)</u>	<u>625,901</u>
	<u>1,903,880</u>	<u>(1,277,979)</u>	<u>625,901</u>
Debt			
Debts falling due within 1 year	<u>(39,557,937)</u>	<u>12,868,037</u>	<u>(26,689,900)</u>
	<u>(39,557,937)</u>	<u>12,868,037</u>	<u>(26,689,900)</u>
Total	<u>(37,654,057)</u>	<u>11,590,058</u>	<u>(26,063,999)</u>

Included within cash flow on debt is non-cash movement relating to part write off of shareholder debt.

15. 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.

16. 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 2020 it was a wholly owned subsidiary.

17. OPERATING LEASE COMMITMENTS

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

	31/12/20 £	31/12/19 £
No later than one year	192,922	190,636
Later than one year and no later than five years	771,688	762,544
Later than five years	<u>2,623,734</u>	<u>2,783,284</u>
Future minimum lease payments	<u><u>3,588,344</u></u>	<u><u>3,736,464</u></u>

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is ORIT UK Acquisitions Limited, an investment company registered in England and Wales and does not prepare consolidated financial statements. The financial statements are available from the registered office at 6th Floor, 33 Holborn, London, England, EC1N 2HT

The ultimate parent undertaking is Octopus Renewables Infrastructure Trust plc, a public limited company listed on the London Stock Exchange. It is a closed end investment company incorporated in England and Wales that is focused on building and operating a diversified portfolio of Renewable Energy Assets. Octopus Renewables Infrastructure Trust plc does not prepare consolidated financial statements.

Prior to 19 March 2020, the company's immediate parent company was Fern Renewable Energy Limited and its ultimate parent company was Fern Trading Limited.