Annual Report & Financial Statements

For the year ended 31 December 2020

Anchor Renewables Ltd

Registered number: 07769503

Anchor Renewables Ltd

Company information

Directors	**A.D.K. Brierley** **P.E Dias** **L.G. Halstead** **T.J. Rosser**
Secretary	Octopus Company Secretarial Services Limited
Company number	07769503 (England and Wales)
Registered office	6th Floor 33 Holborn, London, EC1N 2HT
Independent auditors	Ernst & Young LLP 16 Bedford Street Belfast BT2 7DT

Anchor Renewables Ltd

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity
The company owns and maintains solar panel systems to benefit from the continued renewable energy and associated payments of the Feed in Tariff.

Results and dividends
The loss for the year after taxation amounted to £195,016 (2019: loss £30,688). The directors do not recommend the payment of a dividend.

Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent results of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. Further, the ultimate controlling undertakings, Renewable Energy Income Partnership III B Holdings Limited and Renewable Energy Income Partnership III C Holdings Limited, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

Directors
The directors who served during the year were:
D Mcgann - resigned on 3rd July 2020
A. Crowe - resigned on 3rd July 2020
A.D.K. Brierley - appointedon 3rd July 2020
P.E. Dias - appointed on 3rd July 2020
M Smith - resigned on 3rd July 2020
M Read - resigned on 3rd July 2020
L.G. Halstead - appointed on 3rd July 2020
T.J. Rosser - appointed on 3rd July 2020

Post balance sheet events
There have been no significant events affecting the company since the year end.

Future developments
The company will seek to purchase further rights for Feed in Tariff payments and maintain payments from existing solar panel systems.

Directors' responsibilities statement
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and Regulations Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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 defection of fraud and other irregularities.

Disclosure of information to auditors
Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be 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 company 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.

Auditors
The auditors, Ernst & Young LLP were appointed auditors on 16 September 2021. Ernst & Young LLP will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the Board on 3 February 2022 and signed by order of the Board:

A Brierley
Director

Anchor Renewables Ltd

Independent Auditors' report to the shareholders of Anchor Renewables Ltd

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Opinion

We have audited the financial statements of Anchor Renewables Ltd (the 'Company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, and the Statement of changes in equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).
In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the period 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 the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, 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 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 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 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.

Matters on which we are required to report by exception

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

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

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

Other matter
The corresponding figures for the year ended 31 December 2019 were unaudited.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 2, 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.

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 the Companies Act 2006, the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Bribery Act 2010, Money Laundering Regulations 2017 and UK Tax Legislation.
- We understood how the company is complying with those frameworks by making and corroborating enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
  - Obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - Obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified or otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls; and
  - Review of board meeting minutes in the period and to the date of signing.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussion within the audit team which included:
  - Identification of related parties, including circumstances related to the existence of a related party with dominant influence;
  - Understanding the company's business and entity-level controls and considering the influence of the control environment; and
  - Considering the nature of the account and our assessment of inherent risk for relevant assertions of significant accounts.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

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.

Ernst & Young LLP

Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 9 February 2022

Anchor Renewables Ltd

Profit and Loss Account
For the year ended 31 December 2020

	Notes	2020 £	2019 £ unaudited
Turnover	**3**	**317,105**	303,276
Cost of sales		**(141,352)**	(96,559)
Gross profit		**175,753**	206,717
Administrative expenses		**(408,710)**	(237,733)
Operating loss	**4**	**(232,957)**	(31,016)
Interest payable and similar charges		**-**	-
Loss on ordinary activities before taxation		**(232,957)**	(31,016)
Tax on loss on ordinary activities	**5**	**37,941**	328
Loss for the financial year		**(195,016)**	(30,688)

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 8 to 11 are an integral part of these financial statements.

Anchor Renewables Ltd

Balance sheet as at 31 December 2020

	Notes	2020 £	2020 £	2019 £ unaudited	2019 £ unaudited
Fixed assets					
Tangible assets	6		1,753,204		1,872,075
Current assets					
Debtors :amounts falling due within one year	7	-		31,711	
Cash at bank and in hand		-		1	
		-		31,712	
Creditors : amounts falling due within one year	8	(163,938)		(81,564)	
Net current liabilities			(163,938)		(49,852)
Total assets less current liabilities			1,589,266		1,822,223
Provision for liabilities and charges	9		-		(37,941)
Net assets			1,589,266		1,784,282
Capital and reserves					
Called up share capital	10		200,001		200,001
Share premium			1,647,266		1,647,266
Profit and loss account			(258,001)		(62,985)
Shareholders' funds			1,589,266		1,784,282

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities".

The notes on pages 8 to 11 are an integral part of these accounts.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 3 February 2022

A Brierley
Director
Company number 07769503

Anchor Renewables Ltd

Statement of changes in equity
For the year ended 31 December 2020

	Called up Share Capital £	Share Premium account £	Profit and Loss Account £	Total Equity £
At 1st January 2019	200,001	1,647,266	(32,297)	1,814,970
Loss for the year	-	-	(30,688)	(30,688)
At 1st January 2020	200,001	1,647,266	(62,985)	1,784,282
Loss for the year	-	-	(195,016)	(195,016)
At 31st December 2020	**200,001**	**1,647,266**	**(258,001)**	**1,589,266**

The notes on pages 8 to 11 are an integral part of these accounts

1 Accounting policies
Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK.
The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2)

The following principal accounting policies have been applied :

1.1 Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying 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 preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

1.2 Going concern
The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent results of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. Further, the ultimate controlling undertakings, Renewable Energy Income Partnership III B Holdings Limited and Renewable Energy Income Partnership III C Holdings Limited, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

1.3 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 based on electricity generation in the period and applicable tariffs. Revenue is recognised as and when confirmed by the renewable energy FiT Licensee on a quarterly basis and includes an accrual for the revenue due for the period from the last agreed quarter end to the end of the accounting period.

1.4 Tangible assets
Tangible assets represents the installation cost and right acquired to receive feed in tariffs from solar installations and are initially recognised at cost. After recognition, tangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.
At each reporting date the company assesses whether there is any indication of impairment. If such indication exists the recoverable amount of the asset is determined which is the higher of its fair values less cost to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.
All tangible assets are consider to have a finite useful life based on the anticipated income arising from such rights being payable until 2037. Depreciation has been provided at 4.9 % of cost to write off the assets over their life on a straight line basis.

1.5 Debtors
Short term debtors are measured at transaction price less any impairment.

1.6 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.

1.7 Financial instruments
The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. 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 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 deferral beyond normal business terms or financed at a rate of interest that is not a market rate or in the 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 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 comprehensive income. 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 sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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 net asset and settle the liability simultaneously.

1.8 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.

1.9 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

1.10 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

1.11 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as ther comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.
The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in countries where the company operates and generates income.
Deferred tax balances are recognised in respect of all timing difference 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 difference except in respect of business combinations when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily ascertainable from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from these estimates.
The estimates and underlying assumptions are reviewed on a continuing basis, revisions to accounting estimates are recognised in the period in which the estimates are revised.

3 Turnover

The whole of the turnover is attributable to generation and export tariffs receivable on solar panel installations exclusive of value added tax. All turnover arose from installations within the United Kingdom.

4 Operating loss

	2020	2019
	£	£
During the year the following items were charged to the profit & loss account		unaudited
Auditors' remuneration	2,070	-
Depreciation	118,871	96,559
Profit of disposal of fixed assets	-	17,568

Employees and directors

The company has no employees other than the directors, who did not receive or waive any remuneration (2019: £nil).

5 Taxation

	2020	2019
	£	£
		unaudited
Total current tax - deferred tax credit	37,941	328

Factors affecting tax charge for the year:
The tax assessed for the period is lower than the standard rate of corporation tax in the UK.

The differences are explained below.	2020	2019
	£	£
		unaudited
Loss on ordinary activities before tax	(232,957)	(31,016)
Profit on ordinary activities multiplied by standard rate of corporation tax of 19% (2019: 19%)in the UK	(44,262)	(5,893)
Effects of:		
Expenses not deductible for tax purposes	-	-
Capital allowances in excess of depreciation	-	-
unprovided deferred tax	6,321	5,565
Current tax (credit) / charge for the period	(37,941)	(328)

The company has an unprovided deferred tax asset on losses of £6,321 (2019 : £nil.)

6 Tangible fixed assets

	Plant & Machinery
Cost	**£**
At 1 January 2020	2,413,964
As at 31 December 2020	**2,413,964**
Depreciation	
At 1 January 2020	541,889
Charge for the year	118,871
As at 31 December 2020	**660,760**
Net book values	
As at 31 December 2020	**1,753,204**
At 31 December 2019	1,872,075

7 Debtors

	2020	2019
	£	£
		unaudited
Trade debtors	-	131
Other debtors	-	31,580
	-	31,711

8 Creditors – Amounts falling due within one year

	2020	2019
	£	£
		unaudited
Amounts owed to group undertakings	**163,938**	80,156
Tax and social security creditors	-	1,408
	163,938	81,564

Included within amounts owed to group undertakings are unsecured intercompany transactions that are interest free. The amounts are repayable on demand.

9 Provision for liabilities

	2020	2019
Deferred tax	**£**	£
		unaudited
As at 1st January 2020	**37,941**	38,269
Movement in the year	**(37,941)**	(328)
As at 31 December 2020	-	37,941

10 Share Capital

	2020	2019
	£	£
Allotted and fully paid		unaudited
2,000,010 Ordinary shares of £0.10 each (2019 : £200,001)	**200,001**	200,001

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 31 December 2020 it was a wholly owned subsidiary. There are no other related party transactions.

12 Utimate parent company and controlling party

The immediate parent company is Sunlight Technology Limited, a company registered in England and Wales, which is 100% owned by Sunstone Bidco Limited.
The ultimate controlling party is a joint venture between Renewable Energy Income Partnership III B Holdings Limited and Renewable Energy Income Partnership III C Holdings Limited.