

Registered number 08000303

PONT ANDREW LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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PONT ANDREW LIMITED

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PONT ANDREW LIMITED

COMPANY INFORMATION

Directors	C Borg J Lingard P McCartie	(Appointed 5 October 2020) (Appointed 5 October 2020)
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Registered number	08000303
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Registered office	7th Floor 33 Holborn London EC1N 2HU
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Independent auditors	PricewaterhouseCoopers LLP Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
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Bankers	Barclays Bank 1 Churchill Place London E14 5HP
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PONT ANDREW LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their annual report and audited financial statements for the year ended 31 December 2020.

Principal activities

The Company is a wholly owned subsidiary of a group of companies of which the principal activities are the construction and operation of solar plants and the generation of solar power. The primary focus and business activity of the Company is not expected to change.

Directors

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

C Borg	(Appointed 5 October 2020)
J Lingard	(Appointed 5 October 2020)
P McCartie	
A Ara	(Resigned 5 October 2020)

Going concern

As at the date of the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the financial statements. The Directors have also obtained a letter of support from the Company's parent undertaking, Lightsource Radiate 2 Limited, to provide any necessary financial support to the Company in order to discharge its liabilities as they fall due. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

COVID-19 Implications

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across the United Kingdom and a significant number of other countries. COVID-19 has caused disruption to businesses and economic activity. As part of the Company's ongoing review of going concern, the Directors have reviewed the Company's position in detail, including the impact of the recent outbreak of COVID-19 on the Company's performance and no issues have been noted in respect of continued funding or the Company's ability to continue as a going concern.

Qualifying third party indemnity provisions

As permitted by the articles of association of Lightsource bp Renewable Energy Investments Limited ("LS bp") - the ultimate parent undertaking and controlling party of the Company - any Director of the Company who is also a Director of LS bp have had the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the period covered by these accounts and is currently in force.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have 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).

PONT ANDREW LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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.

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.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves 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 reappointment in accordance with Section 485 of the Companies Act 2006.

On behalf of the board



P McCartie
Director

Date: 29/9/2021 | 11:38 AM BST

Independent auditors' report to the members of Pont Andrew Limited

Report on the audit of the financial statements

Opinion

In our opinion, Pont Andrew 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 loss 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" Section 1A, 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Profit and Loss Account and the Statement of Changes in Equity 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.

With respect to the Directors' Report, 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.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report 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 Directors' Report.

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 also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 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;
- 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.

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

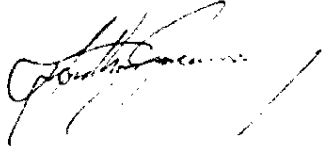
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Jonathan Greenaway', with a long horizontal stroke extending to the right.

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

PONT ANDREW LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Turnover		230,765	226,023
Cost of sales		(228,230)	(202,691)
Gross profit		<u>2,535</u>	<u>23,332</u>
Administrative expenses		(5,928)	(7,435)
Operating (loss)/profit	5	<u>(3,393)</u>	<u>15,897</u>
Interest payable and similar expenses	7	(240,463)	(233,874)
Loss before taxation		<u>(243,856)</u>	<u>(217,977)</u>
Tax on loss		94,900	-
Loss for the financial year		<u><u>(148,956)</u></u>	<u><u>(217,977)</u></u>

All results relate to continuing activities.

There are no other items of other comprehensive income for the current year or prior year. Therefore, no separate statement of other comprehensive income has been prepared.


The accompanying notes on pages 11 - 20 form an integral part of the financial statements.

PONT ANDREW LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2020**

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		1,520,883		1,649,074
Current assets					
Debtors	9	122,603		163,036	
Cash at bank and in hand		20,000		20,000	
		<u>142,603</u>		<u>183,036</u>	
Creditors: amounts falling due within one year	10	<u>(19,872)</u>		<u>(14,225)</u>	
Net current assets			122,731		168,811
Total assets less current liabilities			<u>1,643,614</u>		<u>1,817,885</u>
Creditors: amounts falling due after more than one year	11		(3,130,316)		(3,157,340)
Provision for liabilities	12		<u>(143,382)</u>		<u>(141,673)</u>
Net liabilities			<u>(1,630,084)</u>		<u>(1,481,128)</u>
Capital and reserves					
Called up share capital	13		10		10
Accumulated losses			<u>(1,630,094)</u>		<u>(1,481,138)</u>
Total shareholders' deficit			<u>(1,630,084)</u>		<u>(1,481,128)</u>

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 financial statements on pages 8 to 20 were approved by the Board of Directors and authorised for issue on 29/09/2021 and are signed on its behalf by:



 P McCartie
 Director

Registered number 08000303

PONT ANDREW LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Accumulated losses	Total shareholders' deficit
	£	£	£
Balance at 1 January 2019	10	(1,263,161)	(1,263,151)
Year ended 31 December 2019:			
Total comprehensive loss for the year	-	(217,977)	(217,977)
Balance at 31 December 2019	10	(1,481,138)	(1,481,128)
Year ended 31 December 2020:			
Total comprehensive loss for the year	-	(148,956)	(148,956)
Balance at 31 December 2020	10	(1,630,094)	(1,630,084)

The accompanying notes on pages 11 - 20 form an integral part of the financial statements.

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 General information

Pont Andrew Limited is a private company limited by shares incorporated and domiciled in England in the United Kingdom (registered number 08000303). The registered office is 7th Floor, 33 Holborn, London, EC1N 2HU.

The Company is a wholly owned subsidiary of a group of companies of which the principal activities are the construction and operation of solar plants and the generation of solar power. The primary focus and business activity of the Company is not expected to change.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are prepared on the going concern basis, 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 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. Critical estimates have been applied to these financial statements and are summarised in note 4.

FRS 102 allows certain disclosure exemptions for qualifying entities, 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.

2.2 Going concern

As at the date of the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the financial statements. The Directors have also obtained a letter of support from the Company's parent undertaking, Lightsource Radiate 2 Limited, to provide any necessary financial support to the Company in order to discharge its liabilities as they fall due. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign exchange

(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.

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies

(Continued)

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 Profit and Loss Account within administrative expenses.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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

2.5 Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively. Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Profit and Loss Account. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

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

2.6 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).

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies

(Continued)

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 Profit and Loss Account.

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 Profit and Loss Account.

2.7 Cash and cash equivalents

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

2.8 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 Profit and Loss Account. 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.

The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

2.9 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.

2.10 Creditors

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

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies

(Continued)

2.11 Interest receivable and payable

Interest is recognised by applying the effective interest rate. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the debt instrument to the net carrying amount on initial recognition.

2.12 Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

2.13 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss Account, 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.

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.

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.

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.

2.14 Decommissioning provision

Liabilities for decommissioning costs are recognised when the Company has an obligation to dismantle and remove the Solar PV equipment and restore the land on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements. A corresponding tangible item of property, plant and equipment equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure are added or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Summary of significant accounting policies

(Continued)

2.15 Leases

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 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 Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

2.16 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.

2.17 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 resource is remote.

2.18 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 Prior year adjustments

The amounts for Property, plant and equipment and Provision have been understated by £141,673 as at 1st January 2020, which is the beginning of the earliest prior period presented. The prior year figures have been restated as the Company has not provided for future decommissioning costs. The restatement has; increased prior year Property, plant and equipment by £141,673 to £1,649,074 and increased Provisions by £141,673 to £141,673.

	As previously reported	Adjustments	As restated
	£	£	£
Balance sheet 31 December 2019			
Tangible fixed assets	1,507,401	141,673	1,649,074
Provision for liabilities	-	(141,673)	(141,673)
	<u> </u>	<u> </u>	<u> </u>

The adjustments above have no impact on previously reported opening reserves.

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

The Company has not made any critical judgements in applying the entity's accounting policies.

(b) Critical accounting estimates and assumptions

(i) Impairment of tangible assets

The Company makes an estimate of the recoverable value of tangible assets. See note 2.6 for details. See note 8 for the net carrying amount of tangible assets.

(ii) Measurement of decommissioning costs

As part of the measurement and recognition of assets and liabilities, the Company has recognised a provision for decommissioning obligations associated with the solar parks. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected cost to dismantle and remove the plant from the site, the expected timing of these costs, and the discount rate. The decommissioning provision is revalued annually following a review of the present value of the estimated future expenditure. In determining the present value of the estimated future costs, the following assumptions were used:

Expected cost to dismantle and remove the plant from the site

An estimated dismantling cost of £92,846 per MWh was used in assessing the present value of the estimated future expenditure. The cost has been assessed by an external evaluator and reflects the current market conditions. If the MWh dismantling cost was to change by +/-5% the provision would change by +/-£7,169.

Discount rate

A discount rate of 1.2% was used in assessing the present value of the estimated future expenditure. The discount rate has been calculated based on inflation. If the discount rate were to change by +/-0.5%, then the impact on the present value of the estimated future expenditure would be -12%/+14%.

Expected timing

The expected timing of the costs has been determined as the remaining useful life of the assets. This is approximately 30 years.

Any changes in the present value of the estimated expenditure are added or deducted from the costs of the related decommissioning asset. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

5 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after charging:		
Fees payable to the Company's auditor and its associates for the audit of the financial statements	2,235	3,077
Depreciation of owned tangible fixed assets	128,191	120,118
	<u> </u>	<u> </u>

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

The Company has no employees other than the Directors. The Directors' remuneration was borne by another group entity (2019: £nil).

7 Interest payable and similar expenses

	2020 £	2019 £
Shareholder loan interest payable	240,397	233,856
Bank charges	66	18
	<u>240,463</u>	<u>233,874</u>

8 Tangible assets

	Long-term leasehold property £	Plant and machinery as restated £	Total as restated £
Cost			
At 1 January 2020 and 31 December 2020	56,041	2,483,906	2,539,947
Depreciation and impairment			
At 1 January 2020	16,626	874,247	890,873
Charge for the year	2,242	125,949	128,191
At 31 December 2020	18,868	1,000,196	1,019,064
Carrying amount			
At 31 December 2020	37,173	1,483,710	1,520,883
At 31 December 2019	39,415	1,609,659	1,649,074

The total value of fixed assets are held as a security against the bank debt of the parent company, Lightsource Radiate 2 Limited.

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,927	137,912
Amounts owed by group undertakings	1,749	-
Other debtors	-	835
Prepayments and accrued income	23,027	24,289
	<u>27,703</u>	<u>163,036</u>

PONT ANDREW LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Debtors	(Continued)	
	2020	2019
	£	£
Amounts falling due after more than one year:		
Deferred tax asset	94,900	-
	<u> </u>	<u> </u>
Total debtors	122,603	163,036
	<u> </u>	<u> </u>

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

10 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	3,703	3,690
Amounts owed to group undertakings	-	966
Other taxation and social security	438	-
Accruals and deferred income	15,731	9,569
	<u> </u>	<u> </u>
	19,872	14,225
	<u> </u>	<u> </u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

11 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Amounts owed to group undertakings	3,130,316	3,157,340
	<u> </u>	<u> </u>

Included within amounts owed to group undertakings are unsecured loans with year end balances totalling £3,130,316 (2019: £3,157,340). The loans bear interest at 8% (2019: 8%) and are repayable after more than five years.

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Provision for liabilities

	2020	2019 as restated
	£	£
Decommissioning provision	143,382	141,673

Movements on provisions:

	Decommissioning provision as restated £
At 1 January 2020	141,673
Unwinding of discount	1,709
At 31 December 2020	143,382

Any changes in the present value of the estimated expenditure are added to or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost at 1.2%.

Following a review of the present value of the estimated future expenditure, the discount rate is assessed annually against recent market data and adjusted accordingly through revaluation of the decommissioning asset and provision.

13 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1,020 (2019: 1,020) Ordinary shares of 1p each	10	10

14 Contingent liabilities

There are obligations on the Company to remove the solar assets upon expiry of the contractual terms. In the event that no agreement is reached with the property owners to transfer ownership in lieu of any decommissioning obligations, it is the intention of the Directors to fulfil those obligations. At balance sheet date the Directors reassessed the accounting judgement and recognised £0.1m decommissioning provision for this solar site where it was determined that residual value will not be sufficient to cover future restoration obligations.

Details of the decommissioning provision are disclosed in Note 12.

PONT ANDREW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	8,182	8,140
Between two and five years	32,730	32,561
In over five years	92,007	99,674
	<u>132,919</u>	<u>140,375</u>

16 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with fellow subsidiaries under common ownership. There are no other related party transactions noted in the year.

17 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Lightsource Radiate 2 Limited.

The ultimate parent undertaking and controlling party is Lightsource BP Renewable Energy Investments Limited, which is the smallest and largest group to consolidate these financial statements. Copies of Lightsource BP Renewable Energy Investments Limited consolidated financial statements can be obtained from the Company Secretary, 7th Floor, 33 Holborn, London, EC1N 2HU.