

Registered number: 08830819

**CHALKHILL LIFE HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**



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**CHALKHILL LIFE HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	External Officer Limited T W Moore (appointed 17 December 2020) D L Strothers (appointed 17 December 2020) M A Swanston (appointed 17 December 2020)
<b>Company secretary</b>	External Officer Limited
<b>Registered number</b>	08830819
<b>Registered office</b>	6th Floor St Magnus House 3 Lower Thames Street London EC3R 6HD
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Seacourt Tower Botley Oxford Oxfordshire OX2 0JJ
<b>Bankers</b>	HSBC Bank Plc 65 Cornmarket Street Oxford OX1 3HY
<b>Solicitors</b>	Osborne Clarke 2 Temple Back East Temple Quay Bristol BS1 6EG

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**CHALKHILL LIFE HOLDINGS LIMITED**

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## CHALKHILL LIFE HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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#### Principal activity

The principal activity of the company is as a holding company that holds interests, either directly or through holding companies, in Trading Companies ("TCs"). The TCs undertake a range of operational activities that fall into three categories:

1. The generation of electricity from solar PV panels at solar farms, or located on commercial or domestic rooftops.
2. Money lending to corporate entities.
3. Farming and trading of crops for sale to anaerobic digestion plants.

#### Key performance indicators

The directors consider turnover and operating profit / (loss) to be the key performance indicators of the Group. Turnover and operating profit / (loss) for the Group, by activity, for the year ended 31 March 2020 is set out in the table below:

Activity	Turnover £'000	Operating Profit / (Loss) £'000
Solar PV	13,076	614
Money lending	2,586	(2,486)
Farming and trading crops	2,570	234

#### Significant events and strategic direction

From March 2020 onwards, there has been significant disruption to the world economy following the outbreak of Covid-19. The Group has been well placed to withstand these financial pressures because most of its turnover is made up of fixed subsidy income. The Group has no employees so the logistical problems arising because of Covid-19 have been minimal.

Energy prices fell following the outbreak, which did affect the Group's PPA revenues that were linked to market prices. From October 2020 the majority of the Group's PPA revenue has been fixed at improved rates. The directors are expecting positive Group EBITDA for the foreseeable future.

During the year, the Group acquired the remaining minority interest in its subsidiaries and now wholly owns all of the subsidiaries in the Group. In January 2020 Infram LLP were appointed as the managers of the Group's operations.

Brown Argus Limited, another money-lending TC wrote down the holding value of its loans by £3.7m during the year due to concerns about recoverability.

In September 2020 the group was purchased by Bagnall Energy Limited and subsequently sold to DORE Hold Co Limited in March 2021. At the date of signing, the ultimate controlling party is Downing Renewables & Infrastructure Trust plc.

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## CHALKHILL LIFE HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Principal risks and uncertainties

Management frequently assesses the risks of the business and adjusts the strategy and policies accordingly. Electricity generation is the Group's principal activity and technical availability of the equipment to produce electricity is a key risk. This risk is minimised through the appointment of operations and maintenance contractors with qualified and competent staff who carry out both preventative and reactive maintenance throughout the year. Further to this, via direct access to the electricity meters on site, Infram verify the information provided by the contractors. Infram uses a SCADA system, which is programmed to automatically raise alarm when a site's generation is not in line with expectations. This facilitates fast response times and allows for proactive monitoring of the equipment.

Another key risk is the recoverability of the loans under the money lending businesses. Management are satisfied that the carrying balances in the financial statements are recoverable and no further impairments will be necessary.

#### Credit risk

The Group has loan facilities. The historic and forecast cover ratios of the loans are regularly tested and are reported to the lenders on a six-monthly basis

#### Cash flow and liquidity risk

The majority of project revenues and costs in the underlying Group are contracted and can be forecast accurately. This ensures that debt covenants are met with required balances and adequate levels of working capital maintained. A large proportion of the Group's income comes from long term renewable energy incentives which give a secure and dependable cash inflow. Any potential issues can be foreseen and remedied through the regular review of the forecast position, allowing the Group to make arrangements in good time in the event of a liquidity issue.

#### Going concern risk

The directors have reviewed the Group's latest forecasts and the directors have reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The directors have not identified any material uncertainties that could cast significant doubt about the Company's ability to adopt the going concern basis of accounting for a period of at least 12 months from the date at which the financial statements are authorised for issue.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### Covid-19

The principal risk to the Group caused by Covid-19 is considered to be a fall in energy demand, and a resulting fall in power prices. It appears that the energy market has seen the worst of the fall in prices so far, and the portfolio weathered this well because of the large element of turnover that is attached to fixed-income subsidies. Most of the portfolio's revenue that is subject to power price fluctuations has been fixed from October 2020.

The directors are satisfied that there are no adjustments required to the financial statements for post balance sheet impacts because of Covid-19.

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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This report was approved by the board and signed on its behalf.

*Tom Moore*

**T W Moore**  
Director

Date: 18/6/2021

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**Results and dividends**

The loss for the year, after taxation, attributable to the majority shareholder amounted to £5,200,869 (2019 - loss £9,881,689).

No dividends were declared during the year (2019: Nil)

**Directors**

The directors who served during the year were:

D David (resigned 31 January 2020)

External Officer Limited

D Mott (resigned 31 January 2020)

R Castiglioni (appointed 31 January 2020, resigned 19 March 2021)

J D S La Terriere (appointed 31 January 2020, resigned 19 March 2021)

G S Krempels (appointed 31 January 2018, resigned 11 December 2019)

UK Officer Limited (appointed 26 March 2019, resigned 11 December 2019)

T W Moore, D L Strothers and M A Swanston were appointed on 17 December 2020

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 (United Kingdom 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

**Future developments**

Refer to the Group Strategic Report where reporting on consideration of future developments has been performed.

**Going concern**

The accounts have been prepared on a going concern basis in accordance with note 2.3 of the accounting policies.

**Post balance sheet events**

In September 2020 the group was purchased by Bagnall Energy Limited and subsequently sold to DORE Hold Co Limited in March 2021. At the date of signing, the ultimate controlling party is Downing Renewables & Infrastructure Trust plc.



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**CHALKHILL LIFE HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Disclosure of information to auditor**

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 and the Group's auditor is unaware, and
- the director has 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 and the Group's auditor is aware of that information.

This report was approved by the board on 18/6/2021

and signed on its behalf.

*Tom Moore*

T W Moore  
Director



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALKHILL LIFE HOLDINGS LIMITED**

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### **Opinion**

We have audited the financial statements of Chalkhill Life Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **The impact of uncertainties arising from the UK exiting the European Union on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's or the parent company's future prospects and performance.

Covid-19 and Brexit are one of the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Group's or the Parent company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALKHILL LIFE HOLDINGS LIMITED  
(CONTINUED)**

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the Group's or the parent company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Group's or the parent company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Group and the parent company will continue in operation.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALKHILL LIFE HOLDINGS LIMITED  
(CONTINUED)**

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**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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

**Matters on which we are required to report by exception**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALKHILL LIFE HOLDINGS LIMITED  
(CONTINUED)**

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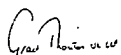
**Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

A handwritten signature in dark ink, appearing to read "Amanda James".

Amanda James BFP ACA FCCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Oxford  
Date: 21/6/2021

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**


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	Note	2020 £	2019 £
Turnover	4	18,300,328	16,697,172
Cost of sales		(2,599,898)	(6,199,969)
<b>Gross profit</b>		<b>15,700,430</b>	<b>10,497,203</b>
Administrative expenses		(13,537,085)	(9,813,342)
Exceptional administrative expenses	11	(3,734,226)	(7,143,337)
Other operating charges		-	(42,164)
<b>Operating loss</b>	5	<b>(1,570,881)</b>	<b>(6,501,640)</b>
Interest receivable and similar income	8	-	1,850,640
Interest payable and expenses	9	(3,042,015)	(3,644,002)
<b>Loss before taxation</b>		<b>(4,612,896)</b>	<b>(8,295,002)</b>
Tax on loss	10	(587,973)	(360,756)
<b>Loss for the financial year</b>		<b>(5,200,869)</b>	<b>(8,655,758)</b>
<b>(Loss) for the year attributable to:</b>			
Non-controlling interests		-	1,225,931
Owners of the parent company		(5,200,869)	(9,881,689)
		<b>(5,200,869)</b>	<b>(8,655,758)</b>

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

The notes on pages 19 to 41 form part of these financial statements.

**CHALKHILL LIFE HOLDINGS LIMITED**  
**REGISTERED NUMBER:08830819**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	8,379,529	9,472,511
Tangible assets	13	80,076,746	86,713,287
		<u>88,456,275</u>	<u>96,185,798</u>
<b>Current assets</b>			
Stocks	15	-	394,656
Debtors: amounts falling due after more than one year	16	159,608	159,608
Debtors: amounts falling due within one year	16	9,592,986	14,245,878
Cash at bank and in hand	17	10,086,446	15,059,090
		<u>19,839,040</u>	<u>29,859,232</u>
Creditors: amounts falling due within one year	18	(19,266,818)	(8,343,226)
<b>Net current assets</b>		<u>572,222</u>	<u>21,516,006</u>
<b>Total assets less current liabilities</b>		<u>89,028,497</u>	<u>117,701,804</u>
Creditors: amounts falling due after more than one year	19	(81,751,078)	(86,117,842)
<b>Net assets</b>		<u><u>7,277,419</u></u>	<u><u>31,583,962</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	417,941	417,941
Share premium account	24	48,229,605	48,229,605
Profit and loss account	24	(41,370,127)	(29,620,314)
<b>Equity attributable to owners of the parent company</b>		<u>7,277,419</u>	<u>19,027,232</u>
Non-controlling interests		-	12,556,730
		<u><u>7,277,419</u></u>	<u><u>31,583,962</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18/6/2021

T W Moore *Tom Moore*  
Director

The notes on pages 19 to 41 form part of these financial statements.

**CHALKHILL LIFE HOLDINGS LIMITED**  
**REGISTERED NUMBER:08830819**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	14	8	8
		<u>8</u>	<u>8</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	43,524,952	27,677,407
Cash at bank and in hand	17	554,215	7,308,257
		<u>44,079,167</u>	<u>34,985,664</u>
Creditors: amounts falling due within one year	18	(13,418,286)	(3,786,685)
<b>Net current assets</b>		<u>30,660,881</u>	<u>31,198,979</u>
<b>Total assets less current liabilities</b>		<u>30,660,889</u>	<u>31,198,987</u>
<b>Net assets</b>		<u><u>30,660,889</u></u>	<u><u>31,198,987</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	417,941	417,941
Share premium account	24	48,229,605	48,229,605
Profit and loss account brought forward		(17,448,559)	(13,060,982)
Loss for the year		(538,098)	(4,387,577)
Profit and loss account carried forward		(17,986,657)	(17,448,559)
		<u>30,660,889</u>	<u>31,198,987</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*Tom Moore*

**T W Moore**  
 Director

Date: 18/6/2021

The notes on pages 19 to 41 form part of these financial statements.



## CHALKHILL LIFE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent company £	Non- controlling interests £	Total equity £
<b>At 1 April 2018</b>	283,542	31,699,910	(14,827,867)	17,155,585	25,506,429	42,662,014
Loss for the year	-	-	(9,881,689)	(9,881,689)	1,225,931	(8,655,758)
<b>Total comprehensive income for the year</b>	-	-	(9,881,689)	(9,881,689)	1,225,931	(8,655,758)
Shares issued during the year	134,399	16,529,695	-	16,664,094	-	16,664,094
Non-controlling interest movement	-	-	(4,910,758)	(4,910,758)	(14,175,630)	(19,086,388)
<b>At 1 April 2019</b>	417,941	48,229,605	(29,620,314)	19,027,232	12,556,730	31,583,962
Loss for the year	-	-	(5,200,869)	(5,200,869)	-	(5,200,869)
<b>Total comprehensive income for the year</b>	-	-	(5,200,869)	(5,200,869)	-	(5,200,869)
Non-controlling interest movement	-	-	(6,548,944)	(6,548,944)	(12,556,730)	(19,105,674)
<b>At 31 March 2020</b>	417,941	48,229,605	(41,370,127)	7,277,419	-	7,277,419

The notes on pages 19 to 41 form part of these financial statements.

## CHALKHILL LIFE HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 April 2018</b>	<b>283,542</b>	<b>31,699,910</b>	<b>(13,060,982)</b>	<b>18,922,470</b>
Loss for the year	-	-	(4,387,577)	(4,387,577)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(4,387,577)</b>	<b>(4,387,577)</b>
Shares issued during the year	134,399	16,529,695	-	16,664,094
<b>At 1 April 2019</b>	<b>417,941</b>	<b>48,229,605</b>	<b>(17,448,559)</b>	<b>31,198,987</b>
Loss for the year	-	-	(538,098)	(538,098)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(538,098)</b>	<b>(538,098)</b>
<b>At 31 March 2020</b>	<b>417,941</b>	<b>48,229,605</b>	<b>(17,986,657)</b>	<b>30,660,889</b>

The notes on pages 19 to 41 form part of these financial statements.

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2020**


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	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(5,200,869)	(8,655,758)
<b>Adjustments for:</b>		
Amortisation of intangible assets	1,092,982	1,092,982
Depreciation of tangible assets	6,643,862	6,654,881
Impairments	3,734,226	5,754,614
Loss on disposal of tangible assets	6,709	6,298
Interest paid	3,042,015	3,644,002
Interest received	-	(1,850,640)
Taxation charge	587,973	360,756
Decrease in stocks	394,656	1,610,717
Decrease/(increase) in debtors	301,397	(7,230,457)
Increase in creditors	704,084	57,422
Increase/(decrease) in amounts owed to groups	-	(69,141)
Corporation tax received/(paid)	34,602	(309,107)
<b>Net cash generated from operating activities</b>	<b>11,341,637</b>	<b>1,066,569</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(8,269)	(59,344)
Sale of tangible fixed assets	948	-
Interest received	-	792,805
Purchase of fixed asset investments	(19,107,485)	(19,087,537)
<b>Net cash from investing activities</b>	<b>(19,114,806)</b>	<b>(18,354,076)</b>

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**


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	2020 £	2019 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	16,664,094
New secured loans	12,500,000	10,363,860
Repayment of loans	(6,857,460)	(235,717)
Loan transaction costs and interest paid	(3,042,015)	(1,626,622)
<b>Net cash used in financing activities</b>	<b>2,600,525</b>	<b>25,165,615</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,172,644)</b>	<b>7,878,108</b>
Cash and cash equivalents at beginning of year	15,059,090	7,180,982
<b>Cash and cash equivalents at the end of year</b>	<b>9,886,446</b>	<b>15,059,090</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	10,086,446	15,059,090
Bank overdrafts	(200,000)	-
	<b>9,886,446</b>	<b>15,059,090</b>

The notes on pages 19 to 41 form part of these financial statements.

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2020**


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	At 1 April 2019 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 March 2020 £
Cash at bank and in hand	15,059,090	14,134,841	(19,107,485)	10,086,446
Bank overdrafts	-	(200,000)	-	(200,000)
Debt due after 1 year	(86,117,842)	4,366,764	-	(81,751,078)
Debt due within 1 year	(6,507,509)	(9,994,666)	-	(16,502,175)
	<u>(77,566,261)</u>	<u>8,306,939</u>	<u>(19,107,485)</u>	<u>(88,366,807)</u>

The notes on pages 19 to 41 form part of these financial statements.

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## CHALKHILL LIFE HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 1. General information

Chalkhill Life Holdings Limited is a private company limited by shares and incorporated in England and Wales. Registered number 08830819. Its registered head office is located at 6th Floor, St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The accounts have been prepared on a going concern basis, which assumes the Group will continue in operational existence for the foreseeable future. The directors are aware of their duty to present a balanced assessment of the Group financial position and prospects and in concluding that it is appropriate to adopt the going concern basis they have had regard to the fact that whilst the Group has reported a loss for the financial year of £5,200,869 (2019: £8,655,758) and are reporting net assets of £7,277,419 (2019: £31,583,962) there was a net cash outflow of £5.2m (2019: inflow of £413,365) for the year.

The Group is able to meet its day to day working capital requirements and the directors believe, with the support of the investors and the Group's bankers, adequate funding will be available to meet liabilities as they fall due. The directors have prepared forecasts for the next twelve months following the reporting date which are based on appropriate assumptions, market data and past experience, and which takes account of reasonably foreseen changes in market conditions and Group performance, including the recoverability of the debts due.

The groups forecasts and projections also show that external debt repayments and covenants will be met for at least 12 months from the approval date of these financial statements.

Following reviews of profitability and cash generation, the directors are satisfied that continued adoption of the going concern basis of preparation of these financial statements is entirely appropriate.

**2.4 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**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.

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.5 Turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

Turnover represents amounts receivable for management charges to the subsidiary companies generated in the year net of any applicable value added tax. Any uninvoiced income is accrued in the period in which it has been generated.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Finance costs**

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

**2.8 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.



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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other 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 reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.10 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)****2.11 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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**2.12 Tangible fixed assets**

Tangible fixed 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.

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:

Solar installations	-	5 to 10%
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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 profit or loss.

**2.13 Investments**

Investments in subsidiaries are valued at cost less any provision for impairment.

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.14 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.15 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.

**2.16 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.17 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.

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.18 Financial instruments**

The Group 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 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 the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated 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 Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

**Impact of COVID 19**

From March 2020 onwards, there has been significant disruption to the world economy due to Covid-19. As the situation around Covid-19 is constantly evolving, in preparing our financial forecasts we have used our best estimate of key assumptions and judgements underlying the forecasted results.

**Going Concern**

The directors have adopted the going concern basis in preparing the financial statements. In assessing whether the going concern assumption is appropriate, the directors have taken into account all relevant information about the future.

The directors have prepared forecasts based on models covering 27 years and reviewed capital requirements and debt covenants for twelve months from the date of approving these financial statements. The directors are comfortable that the group can continue to trade for at least twelve months. The directors have assessed that the group is not likely to breach any debt covenants based on the forecasting performed.

**Deferred taxation**

The assessment of the probability of future taxable income against which deferred tax assets can be utilised is based on the company's latest budget and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be used without a time limit, that deferred tax asset is usually recognised in full.

**Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

**Carrying value of investments/goodwill**

Management reviews the carrying values of goodwill and investments on an annual basis through detailed forecasting of the investment entities concerned, to determine whether any indication of impairment to the carrying values exists.

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Electricity revenue	4,198,771	4,460,935
ROC recycle and Buyout revenue	7,087,172	5,696,000
NIROC Buyout revenue	1,848,388	1,708,251
Farming revenue	2,570,503	4,382,177
Money lending revenue	2,595,494	449,809
	<u>18,300,328</u>	<u>16,697,172</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	<u>18,300,328</u>	<u>16,697,172</u>

**5. Operating loss**

The operating loss is stated after charging:

	2020 £	2019 £
Other operating lease rentals	854,518	427,082
Depreciation	6,643,862	6,654,881
Goodwill Amortisation	<u>1,092,982</u>	<u>1,092,982</u>

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**6. Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>105,978</b>	<b>84,125</b>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	-	4,750
Tax advisory	11,430	6,680
Accounting services	4,900	28,545
All other advisory services	112,500	-
	<b>128,830</b>	<b>39,975</b>

**7. Employees**

There were no employees apart from directors during the current and prior year, directors' remuneration was as follows:

	<b>Group 2020</b>	<b>Group 2019</b>	<b>Company 2020</b>	<b>Company 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Directors' salaries	<b>38,126</b>	23,069	<b>38,126</b>	23,069
	<b>38,126</b>	23,069	<b>38,126</b>	23,069

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Group 2020</b>	<b>Group 2019</b>	<b>Company 2020</b>	<b>Company 2019</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Directors	<b>4</b>	4	3	3

**8. Interest receivable**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other interest receivable	-	1,850,640

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**9. Interest payable and similar expenses**

	2020 £	2019 £
Bank and other loan interest payable	3,042,015	3,644,002
	<u>3,042,015</u>	<u>3,644,002</u>

**10. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on loss for the year	-	31,381
Adjustments in respect of previous periods	(19,221)	-
<b>Total current tax</b>	<u>(19,221)</u>	<u>31,381</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	607,194	329,375
<b>Total deferred tax</b>	<u>607,194</u>	<u>329,375</u>
<b>Taxation on (loss) on ordinary activities</b>	<u>587,973</u>	<u>360,756</u>



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**CHALKHILL LIFE HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


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**10. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(4,612,896)</u>	<u>(8,295,002)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<u>(876,450)</u>	<u>(1,576,070)</u>
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill, depreciation and impairment	(452,713)	(212,490)
Other timing differences leading to an increase (decrease) in taxation	(101,689)	329,657
Deferred tax on assessed losses not raised	<u>2,018,825</u>	<u>1,819,659</u>
<b>Total tax charge for the year</b>	<u><u>587,973</u></u>	<u><u>360,756</u></u>

**Factors that may affect future tax charges**

There are estimated tax losses of approximately £48,344,547 (2019: £49,081,198) available to carry forward.

**11. Exceptional items**

	2020 £	2019 £
Bad debt write-off on loans receivable	<u><u>3,734,226</u></u>	<u><u>7,143,337</u></u>

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


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**12. Intangible assets****Group**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2019	<b>10,929,820</b>
At 31 March 2020	<b>10,929,820</b>
<b>Amortisation</b>	
At 1 April 2019	<b>1,457,309</b>
Charge for the year on assets	<b>1,092,982</b>
At 31 March 2020	<b>2,550,291</b>
<b>Net book value</b>	
At 31 March 2020	<b>8,379,529</b>
At 31 March 2019	<b>9,472,511</b>

Amortisation on intangible assets is charged to administrative expenses.

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


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**13. Tangible fixed assets****Group**

	<b>Solar installations £</b>
<b>Cost or valuation</b>	
At 1 April 2019	96,441,213
Additions	8,269
Disposals	(1,560)
At 31 March 2020	<u>96,447,922</u>
<b>Depreciation</b>	
At 1 April 2019	9,727,926
Charge for the year on owned assets	6,643,862
Disposals	(612)
At 31 March 2020	<u>16,371,176</u>
<b>Net book value</b>	
At 31 March 2020	<u><u>80,076,746</u></u>
At 31 March 2019	<u><u>86,713,287</u></u>

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**14. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2019	<b>8</b>
At 31 March 2020	<b>8</b>
<b>Net book value</b>	
At 31 March 2020	<b>8</b>
At 31 March 2019	<b>8</b>

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


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**14. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Deeside Solar Farm Limited	6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	Energy generation	Ordinary	100%
Brown Argus Trading Limited	6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	Lending	Ordinary	100%
Ringlet Trading Limited	6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	Feedstock supplier / trader	Ordinary	100%
Chalkhill Commercial PV Limited	6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	Energy generation	Ordinary	100%
Chalkhill (Aberclay) Finance Limited	6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	Lending	Ordinary	100%
Holly Blue Trading Limited	6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	Dormant	Ordinary	100%
Purple Hairstreak Trading Limited	6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	Dormant	Ordinary	100%
Solar Finco 2 Limited	6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	Holding company	Ordinary	100%

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


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**14. Fixed asset investments (continued)****Subsidiary undertakings (continued)**

The following companies were indirect holdings of Chalkhill Life Holdings Limited, held under Solar Finco 2 Limited:

Solar Finco 1 Limited, Abercomyn Solar Limited, Andover Airfield Developments Limited, Appleton Renewable Energy Limited, Appleton Renewables Limited, Beeston Solar Energy Limited, Beeston Solar Limited, Brookside Solar Limited, Greenacre Redridge Limited, Greenacre Solar Energy Limited, Greenacre Solar Limited, Heulwen Solar Limited, Newton Solar Energy Limited, Newton Solar Limited, Penarth Energy Limited, Bourne Park Solar Limited, Ridgeway Solar Energy Limited, Ridgeway Solar Limited, TGC Solar Oakfield Limited, Voltaire (UK) Limited, Voltaire Limited, York Renewable Energy Limited, York Renewables Limited, York NIHE Limited, Emerald Isle Solar Limited, Emerald Isle Solar Energy Limited, Hulse Energy Limited, Hulse Renewable Energy Limited, KPP132 Limited, Moray Energy Limited, Moray Power (UK) Limited, Moray Power Limited, ROC Solar (UK) Limited, ROC Solar Limited, Triumph Renewable Energy Limited, Triumph Solar Energy Limited, Triumph Solar Limited, KPP141 Limited, Wakehurst Renewable Energy Limited, and Wakehurst Renewables Limited.

**15. Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Work in progress (goods to be sold)	-	394,656	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


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**16. Debtors**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Due after more than one year</b>				
Land security deposit	<b>159,608</b>	<b>159,608</b>	-	-
	<b>159,608</b>	<b>159,608</b>	-	-
	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Due within one year</b>				
Trade debtors	<b>123,765</b>	<b>2,441,406</b>	-	-
Amounts owed by group undertakings	-	-	<b>41,030,943</b>	<b>26,051,664</b>
Loans receivable	<b>3,115,529</b>	<b>4,878,129</b>	-	-
Other debtors	<b>450,541</b>	<b>852,830</b>	<b>63,568</b>	<b>20,980</b>
Prepayments and accrued income	<b>4,893,211</b>	<b>4,456,377</b>	<b>2,430,441</b>	<b>1,604,763</b>
Tax recoverable	<b>240,533</b>	<b>240,533</b>	-	-
Deferred taxation	<b>769,407</b>	<b>1,376,603</b>	-	-
	<b>9,592,986</b>	<b>14,245,878</b>	<b>43,524,952</b>	<b>27,677,407</b>

An impairment loss of £Nil (2019: £Nil) was recognised against trade debtors.

**17. Cash and cash equivalents**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Cash at bank and in hand	<b>10,086,446</b>	<b>15,059,090</b>	<b>554,215</b>	<b>7,308,257</b>
Less: bank overdrafts	<b>(200,000)</b>	-	-	-
	<b>9,886,446</b>	<b>15,059,090</b>	<b>554,215</b>	<b>7,308,257</b>

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**CHALKHILL LIFE HOLDINGS LIMITED**


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**18. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Bank overdrafts	<b>200,000</b>	-	-	-
Bank loans	<b>16,502,175</b>	6,507,509	<b>12,500,000</b>	3,414,000
Trade creditors	<b>797,730</b>	926,587	<b>305,206</b>	12,950
Corporation tax	-	12,200	-	-
Other taxation and social security	<b>18,622</b>	64,337	-	-
Other creditors	<b>18,420</b>	-	-	-
Accruals and deferred income	<b>1,729,871</b>	832,593	<b>613,080</b>	359,735
	<b><u>19,266,818</u></b>	<u>8,343,226</u>	<b><u>13,418,286</u></b>	<u>3,786,685</u>

**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Bank loans	<b><u>81,751,078</u></b>	<u>86,117,842</u>



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**20. Loans**

Loans payable to third parties are carried at amounts repayable net of applicable debt costs incurred and being amortised over the term of the loan.

The loans payable to Aviva totalling £72.201m (2019: £74.996m) are secured by debentures and charges over the fixed assets and shares of the Group entities, are due for repayment by September 2034 and are subject to interest charges at floating (RPI Linked) of 0.5% p.a. and fixed interest charges of 3.37% p.a.

The loan payable to Bridging Trading LLP totalling £12.5m (2019: £3.414m) by Chalkhill Life Holdings Limited incurs interest at a rate of 9% per annum on all amounts drawn down and had a final repayment date 10 years from the date of the first drawdown on 20 August 2018. The loan is secured by a debenture, comprising fixed and floating charges over all current and future assets and undertakings of Deeside Solar Limited, and a legal mortgage over the leasehold land of the company. The loan payable to Bridging Trading LLP was repaid in September 2020.

The loan payable to HSBC totalling £2.533m (2019: £2.733m) incurs interest at a rate of 3.35% per annum and has a final repayment date of 29 November 2022. The loan is secured by a debenture, comprising fixed and floating charges over all current and future assets and undertakings of Deeside Solar Limited, and a legal mortgage over the leasehold land of the Deeside Solar Limited.

The loan payable to Blackrock Investment Management (UK) Limited totalling £11.218m (2019: £11.482m) is secured by debentures and charges over the fixed assets and shares of the Group entities, being due for repayment by 31 July 2026, and is subject to fixed interest charges of 5.6% p.a.

Chalkhill Life Holdings has provided a guarantee securing the liabilities of Deeside Solar Farm Limited, limited to £3,000,000, and a mortgage over the shares it holds in Deeside Solar Limited to secure all liabilities of Deeside Solar Limited.

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	<b>16,502,175</b>	6,507,509	<b>12,500,000</b>	3,414,000
<b>Amounts falling due 1-2 years</b>				
Bank loans	-	709,142	-	-
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>19,596,284</b>	17,770,651	-	-
<b>Amounts falling due after more than 5 years</b>				
Bank loans	<b>62,154,794</b>	67,638,049	-	-
	<b>98,253,253</b>	92,625,351	<b>12,500,000</b>	3,414,000

## CHALKHILL LIFE HOLDINGS LIMITED

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## 21. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	10,086,446	15,059,090	554,215	7,308,257
Financial assets measured at amortised cost	8,593,119	11,905,791	43,461,384	27,656,242
	<u>18,679,565</u>	<u>26,964,881</u>	<u>44,015,599</u>	<u>34,964,499</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	100,999,274	(94,522,278)	(13,418,286)	(3,786,685)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, amounts receivable from related parties, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and accruals.

## 22. Deferred taxation

## Group

	2020 £	2019 £
At beginning of year	1,376,603	1,706,696
Charged to profit or loss	(607,196)	(330,093)
<b>At end of year</b>	<u>769,407</u>	<u>1,376,603</u>
	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Accelerated capital allowances	(3,731,376)	(3,878,775)
Tax losses carried forward	4,500,783	5,255,378
	<u>769,407</u>	<u>1,376,603</u>

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**23. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
41,794,100 (2019 - 41,794,100) Ordinary shares of £0.01 each	<b>417,941</b>	<b>417,941</b>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**24. Reserves****Share premium account**

The share premium account represents the difference between the par value of the shares issued and the subscription or issue price.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**25. Capital commitments**

The company had no capital commitments at 31 March 2020 (2019: Nil).

**26. Commitments under operating leases**

At 31 March 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	<b>416,591</b>	<b>409,949</b>
Later than 1 year and not later than 5 years	<b>1,666,362</b>	<b>1,639,795</b>
Later than 5 years	<b>6,930,752</b>	<b>7,107,226</b>
	<b>9,013,705</b>	<b>9,156,970</b>

**27. Related party transactions**

The company is exempt from disclosing transactions with its wholly-owned subsidiaries.

During the year fees amounting to £1,497,292 (2019: £1,395,819) were charged by Oxford Capital Partners LLP, a related party due to its significant influence over the company. At 31 March 2020 £274,389 (2019: £69,141) was owed to Oxford Capital Partners LLP.

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**CHALKHILL LIFE HOLDINGS LIMITED**

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**28. Post balance sheet events**

In September 2020 the group was purchased by Bagnall Energy Limited and subsequently sold to DORE Hold Co Limited in March 2021. At the date of signing, the ultimate controlling party is Downing Renewables & Infrastructure Trust plc.