

Report of the Director and
Financial Statements for the Year Ended 31 December 2020
for
Toucan Energy Limited

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for the Year Ended 31 December 2020

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Toucan Energy Limited

Company Information
for the Year Ended 31 December 2020

DIRECTOR:

N J Pike

REGISTERED OFFICE:

1 Long Lane
London
SE1 4PG

REGISTERED NUMBER:

09688876 (England and Wales)

AUDITORS:

Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Report of the Director
for the Year Ended 31 December 2020

The director presents his report with the financial statements of the company for the year ended 31 December 2020.

DIRECTORS

L J Kavanagh - resigned 25 July 2020

I Walsh - appointed 4 February 2020

A P Williams - resigned 4 February 2020

N J Pike was appointed as a director after 31 December 2020 but prior to the date of this report.

I Walsh ceased to be a director after 31 December 2020 but prior to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies 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 company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Toucan Energy Limited (Registered number: 09688876)

Report of the Director
for the Year Ended 31 December 2020

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

N J Pike - Director

18 January 2023

Opinion

We have audited the financial statements of Toucan Energy Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 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; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2 in the financial statements, which indicates that the Company's ability to meet its liabilities as they fall due is dependent upon group support. Administrators were appointed to the Company's immediate parent, Toucan Energy Holdings 1 Limited (TEH1), on 10 November 2022 and have publicly confirmed that TEH1's 'subsidiaries are not in administration and continue to operate as normal'.

In addition, note 2 indicates that the Company's ability to meet its liabilities as they fall due is also dependent upon a demand not being made by TEH1 in respect of the intercompany balances owed to it by the Company. TEH1's administrators have publicly stated that their immediate priority is to put in place a 'stable platform at the top of the group which will reassure stakeholders that it is business-as-usual in the underlying operations.' As such the Company does not anticipate that TEH1's administrators will make such a demand within the next 12 months.

As stated in note 2 these events or conditions, along with the other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 a Report of the Auditors 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Report of the Independent Auditors to the Members of
Toucan Energy Limited

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 a Report of the Auditors 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.

Mark Powell (Senior Statutory Auditor)
for and on behalf of Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

26 January 2023

Income Statement
for the Year Ended 31 December 2020

	31.12.20 £	31.12.19 £
TURNOVER	507,601	416,062
Cost of sales	<u>424,423</u>	<u>320,248</u>
GROSS PROFIT	83,178	95,814
Administrative expenses	<u>88,006</u>	<u>91,388</u>
OPERATING (LOSS)/PROFIT	(4,828)	4,426
Interest receivable and similar income	<u>45</u>	<u>49</u>
(LOSS)/PROFIT BEFORE TAXATION	(4,783)	4,475
Tax on (loss)/profit	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	<u>(4,783)</u>	<u>4,475</u>

The notes form part of these financial statements

Balance Sheet
31 December 2020

	Notes	31.12.20 £	31.12.19 £
CURRENT ASSETS			
Debtors	4	190,901	168,572
Cash at bank		6,052	23,840
		<u>196,953</u>	<u>192,412</u>
CREDITORS			
Amounts falling due within one year	5	<u>263,561</u>	<u>254,237</u>
NET CURRENT LIABILITIES		<u>(66,608)</u>	<u>(61,825)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(66,608)</u>	<u>(61,825)</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Retained earnings		<u>(66,609)</u>	<u>(61,826)</u>
		<u>(66,608)</u>	<u>(61,825)</u>

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

The financial statements were approved by the director and authorised for issue on 18 January 2023 and were signed by:

N J Pike - Director

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. **STATUTORY INFORMATION**

Toucan Energy Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

Subsequent to the year end, the wider group underwent restructuring. As part of its restructuring, Toucan Energy Holdings 1 Limited (TEH1) was incorporated on 22 July 2020 to act as an intermediary holding company to which it was intended that the group's £655m external junior financing facility (owed by two group companies, Rockfire Investment Finance PLC and Toucan Bond Co 19 Limited) would be novated.

There has, however, been uncertainty as to whether this novation has validly taken place. In June and July 2022, a new director was appointed in respect of various Group companies (including the Company) and discussions were ongoing with the Group's stakeholders to seek to regularise the situation as soon as possible.

Following these discussions, Joint Administrators were appointed to TEH1 on 10 November 2022. The Joint Administrators have announced their intention to dispose of the group's assets (including the Company) by way of solvent share sale during 2023. The director is working closely with the Joint Administrators to achieve that aim.

The director has considered the going concern basis of the Company in light of the current status of the Company and the appointment of administrators to TEH1. The director has considered all aspects of the Company's business when looking at the going concern status.

The Company's turnover is predominantly derived from payment for the provision of services to the group's solar park owning subsidiaries and working capital loans, repayable on demand, advanced to the Company by TEH1. TEH1's funding is primarily sourced from funds generated and distributed to it by its solar park owning subsidiaries.

The junior financing facility is currently in default. The administrators appointed to TEH1 have confirmed that, for at least 12 months while remaining in office from the date of approval of the financial statements, they do not intend as agents for TEH1 to cause TEH1 to seek repayment of the amounts currently loaned to the Company if repayment of these amounts would result in the Company being unable to meet its obligations.

Management Conclusion

The Company has net liabilities but having reviewed the Company's current position and cash flow projections for the next twelve months and taking into account the events after the reporting period, the director has a reasonable expectation that Company has adequate resources to continue operating for the foreseeable future and meet its day-to-day operating liabilities as they fall due.

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

2. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the supply of electricity in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

It is probable that future economic benefits will flow to the entity; and

Specific criteria have been met for each of the company's activities.

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

2. ACCOUNTING POLICIES - continued

Financial instruments

Classification

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Recognition and measurement

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured as amortised cost using the effective interest method.

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

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2019 - NIL).

4. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Trade debtors	-	55,189
Other debtors	190,901	113,383
	<u>190,901</u>	<u>168,572</u>

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

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	15,232	10,243
Amounts owed to group undertakings	125,747	140,748
Taxation and social security	13,946	10,212
Other creditors	<u>108,636</u>	<u>93,034</u>
	<u>263,561</u>	<u>254,237</u>

6. RELATED PARTY DISCLOSURES

During the year ended 31 December 2020 the following balances and transactions occurred with companies under common control that became fellow group companies subsequent to the year end.

100% of sales were to companies under common control.

At the balance sheet date, included within other debtors is an amount totalling £166,091 (2019: £92,973) relating to accrued income due from companies under common control.

At the balance sheet date, included within other creditors were amounts of £120,749 (2019: £nil) due to Toucan Energy Holdings 1 Limited, in 2019 this was owed to Toucan Gen Co Limited. There was also an amount of £5,000 (2019: £20,000) due to Toucan Energy Services Limited, a Company under common control.

Also included within other creditors is an amount totalling £10,000 due to Mr L J Kavanagh, the ultimate controlling party.

7. ULTIMATE CONTROLLING PARTY

Following a group reorganisation on 13 November 2020, the Company's immediate parent company became Toucan Energy Holdings 1 Limited, a company incorporated in England and Wales. The registered office address of the immediate parent company, Toucan Energy Holdings 1 Limited, is 10 Fleet Place, London, EC4M 7RB, United Kingdom.

Toucan Energy Holdings 1 Limited is directly owned by Anyard Holdings Limited, a company incorporated in the Isle of Man.

The registered address of Anyard Holdings Limited is 2nd Floor, St George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man.

The ultimate controlling party continues to be Mr L J Kavanagh by virtue of his shareholding in Anyard Holdings Limited.

Joint Administrators were appointed to Toucan Energy Holdings 1 Limited on 10 November 2022. Mr L J Kavanagh remains the ultimate controlling shareholder of Anyard Holdings Limited but no longer has effective control of Toucan Energy Holdings 1 Limited now that the business, affairs and property of Toucan Energy Holdings 1 Limited are being managed by the Joint Administrators in their capacity as agents of that company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.