

SPF ROBERTS WALL LIMITED

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

SPF ROBERTS WALL LIMITED

COMPANY INFORMATION

Directors

Mrs S J Johnston
Mr S C J Ellis (resigned 28 June 2021)
Mr N S Parker
Mr R A J Wright
Mr P W Kent

Registered number

09769116

Registered office

24 Savile Row
London
England
W1S 2ES

Independent auditors

Wellden Turnbull Limited
Chartered Accountants & Statutory Auditors
Albany House
Claremont Lane
Esher
Surrey
KT10 9FQ

SPF ROBERTS WALL LIMITED

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SPF ROBERTS WALL LIMITED
REGISTERED NUMBER: 09769116

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	2,264,548	2,426,536
Current assets			
Debtors: amounts falling due within one year	7	170,616	67,079
Bank and cash balances		180,904	166,461
		<u>351,520</u>	<u>233,540</u>
Creditors: amounts falling due within one year	8	(3,636,179)	(3,544,084)
Net current liabilities		<u>(3,284,659)</u>	<u>(3,310,544)</u>
Total assets less current liabilities		<u>(1,020,111)</u>	<u>(884,008)</u>
Net liabilities		<u><u>(1,020,111)</u></u>	<u><u>(884,008)</u></u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	(1,020,211)	(884,108)
		<u><u>(1,020,111)</u></u>	<u><u>(884,008)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

Mrs S J Johnston
Director

Date: 4 May 2022

The notes on pages 2 to 10 form part of these financial statements.

SPF ROBERTS WALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

SPF Roberts Wall Limited is a private company limited by shares and incorporated in England and Wales, registration number 09769116. The registered office is 24 Savile Row, London, United Kingdom, W1S 2ES. The principal place of business is Roberts Wall Farm, Penally, Tenby, SA70 8NF.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (note 3).

These financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Compliance with accounting standards

The financial statements have been prepared using FRS102, the financial reporting standard applicable in the UK and Republic of Ireland, including the disclosure and presentation requirements of Section 1A, applicable to small companies. There were no material departures from that standard.

2.3 Going concern

The Company was loss making in the period and is in a net liability position at the year end date. The financial statements have been prepared on a going concern basis which means that the Company can be expected to meet its liabilities as they fall due for a period of 12 months from the date of signing these financial statements. In assessing the appropriateness of the going concern basis of preparation the Directors have taken into account the key risks of the business, including the Company's business model and the availability of cash resources.

The Company is engaged in the generation and sale of renewable solar electricity and is financed by its immediate parent Solarplicity Debt Funding Limited. The Company has been subject to an audit by OFGEM in relation to compliance with the Renewable Obligation Order (ROO). The outcome of the audit is uncertain as at the date of approval of these financial statements, but OFGEM has the authority to, amongst other things, withdraw Renewable Obligations Certificates (ROC) accreditation in cases of material non-compliance with the ROO. If OFGEM proceed with withdrawing the ROCs accreditation then the Company's ability to generate income will be significantly impacted.

The Directors of the Company, based on legal advice, believe the Company is entitled to continue to receive ROCS and has responded to OFGEM with additional audit evidence. If unsuccessful the Company intends to pursue legal proceedings. Although there is uncertainty as to the outcome of the audit and any future legal proceedings that may occur, the Directors cite the ongoing support of fellow group companies and the Company's parent to not call its debt to the detriment of the Company. On this basis the directors consider it is appropriate to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Operating leases: the Company as a lessee

The fixed element of rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

2.6 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.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.8 Taxation

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 balance sheet date in the countries where the Company operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 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 Arrays	- 5% on cost
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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.

2.10 Borrowing costs related to the fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2.11 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.

2.12 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.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 Statement of Income and Retained Earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

In preparing these financial statements, management is required to make judgements, estimates and assumptions which affect expected reported income, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and applications of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The following are the Company's key sources of estimation uncertainty:

OFGEM Audits

Following an unsatisfactory audit by the Office of Gas and Electricity Market (OFGEM) in relation to compliance with the Renewable Obligation Order (ROO), the Company has been working with OFGEM to provide further information to address audit points raised. The audit is ongoing and the outcome uncertain as at the date of approval of these financial statements. The conclusion of this process could result in the revocation of the Company's Renewable Obligations Certificates (ROC) accreditation in cases of material noncompliance with the ROO. Loss of the ROCs accreditation will result in a reduction to future cashflows. The Directors of the Company, based on legal advice, believe that the Company should not have its ROCs accreditation revoked and will, in the event of an unfavourable decision, undertake a challenge through the appropriate legal channels available to it. Given the uncertainty surrounding this position and the resulting future cashflows, the audit evidence with respect to the carrying value of tangible fixed assets of £2,264,548 and accrued income of £160,333 is limited.

No provision for the impairment of fixed assets or repayment of ROCs has been made in these financial statements due to the uncertainty over the outcome of the appeals process. Because of this uncertainty, the Directors are unable to accurately quantify the potential impact, if any, of an impairment or provision.

Decommissioning Liabilities

Provision has not been recognised in respect of site restoration costs on the basis that the Directors have determined the likelihood of a liability arising to be remote based on the assumption that the scrap value of the asset will be sufficient to cover any decommissioning costs and that there is also potential that the renewable energy farm will be re-energised and the related site lease renewed. If circumstances change and indicate otherwise, the Company will review the position and recognise either a contingent liability or provision as appropriate.

4. Employees

In the current and prior year the Company had no employees, other than its Directors, who did not receive any remuneration.

5. Auditor's remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

SPF ROBERTS WALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 January 2021	3,239,768
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At 31 December 2021	3,239,768
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Depreciation	
At 1 January 2021	813,232
Charge for the year on owned assets	161,988
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At 31 December 2021	975,220
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Net book value	
At 31 December 2021	2,264,548
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At 31 December 2020	2,426,536
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Included within the above cost are capitalised borrowing costs at 31 December 2021 of £176,539 (2020 - £176,539).

The third party borrowings of the Company's immediate parent, Solarplicity Debt Funding Limited, are secured by a legal charge over all the assets of the Company, present and future.

7. Debtors

	2021 £	2020 £
Other debtors	100	195
Prepayments and accrued income	170,516	66,884
	<hr/>	<hr/>
	170,616	67,079
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SPF ROBERTS WALL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,603	9,936
Amounts owed to group undertakings	3,627,581	3,528,556
Accruals and deferred income	5,995	5,592
	<u>3,636,179</u>	<u>3,544,084</u>

Amounts owed to group undertakings are interest bearing and repayable on demand.

9. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>180,904</u>	<u>166,461</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Equity share capital shares of £1.00 each	<u>100</u>	<u>100</u>

11. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

SPF ROBERTS WALL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	5,485	5,485
Later than 1 year and not later than 5 years	21,940	21,940
Later than 5 years	78,451	83,936
	<u>105,876</u>	<u>111,361</u>

The amounts stated above represent the base charges. Actual payments will be adjusted for inflation indexation and are therefore greater than the amounts stated above.

13. Grants

In the prior year the Company received a cash payment from the local council relating to the Small Business Grant Fund. The amount received totalled £10,000 and is presented in other income.

14. Related party transactions

The Company is exempt under the terms of Financial Reporting Standard 102 (FRS102) Section 33 paragraph 1A, from disclosing related party transactions with other group companies, on the grounds that the Company is wholly owned within the Group and the Company is included in the consolidated financial statements prepared by the Group.

15. Controlling party

The immediate parent company is Solarplicity Debt Funding Limited, a company incorporated in England and Wales.

The ultimate controlling party is Gravis Asset Holdings Limited, a company incorporated in England and Wales.

The smallest group of undertakings into which the results of the Company are consolidated is headed by Solarplicity Debt Funding Limited. The largest group of undertakings into which the results of the Company are consolidated is headed by Gravis Asset Holdings Limited.

The registered office address for both Solarplicity Debt Funding Limited and Gravis Asset Holdings Limited is 24 Savile Row, London, United Kingdom, W1S 2ES. The consolidated financial statements are available from the registered office address and Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was qualified.

The qualification in the audit report was as follows:

Basis for qualified opinion

Following an unsatisfactory audit by the Office of Gas and Electricity Market (OFGEM), in relation to compliance with the Renewable Obligation Order (ROO), the Company has been working with OFGEM to provide further information to address audit points raised. The audit is on-going and the outcome uncertain as at the date of approval of these financial statements. The conclusion of this process could result in the revocation of the Company's Renewable Obligations Certificate (ROC) accreditation in cases of material non-compliance with the ROO. Loss of the ROCs accreditation will result in a reduction to future cashflows.

The Directors of the Company, based on legal advice, believe that the Company should not have its ROCs accreditation revoked and will, in the event of an unfavourable decision, undertake a challenge through the appropriate legal channels available to it. Given the uncertainty surrounding this position and the resulting future cashflows, the audit evidence with respect to the carrying value of fixed assets of £2,264,548 and accrued income of £160,333 is limited.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements that sets out the position of the Company with respect to going concern. As set out in the basis of qualified opinion section of our report, the Company is currently subject to an on-going audit by OFGEM, the energy regulator, with respect to compliance with the Renewable Obligation Order (ROO). The outcome of the review is uncertain, but an adverse or unfavourable finding could result in a number of possible financial consequences for the Company, including the revocation of the Company's ROCs accreditation. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, 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.

The audit report was signed on 5 May 2022 by Mark Nelligan FCA (Senior Statutory Auditor) on behalf of Wellden Turnbull Limited.

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.