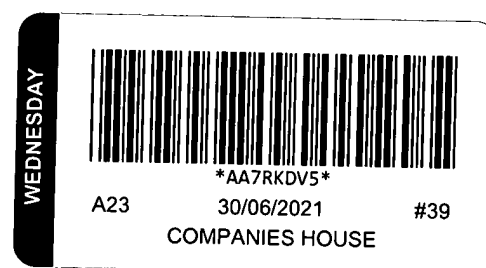


Renewable Energy Income Partnership Holdings 1 Limited

Report and Financial Statements

30 June 2020



Registered No. 10644098

**Contents of the Report and Financial Statements
as at and for the year ended 30 June 2020**

	Page
Company information	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	6
Independent auditors' report	7
Group Statement of Comprehensive Income	10
Group statement of financial position	11
Company statement of financial position	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16

Company information

Directors

T Rosser
A D K Brierley
K A Shenton (resigned 27 January 2021)
L G Halstead (appointed 27 January 2021)

Secretary

Octopus Company Secretarial Services Limited
6th Floor
33 Holborn
London EC1N 2HT

Auditors

Ernst & Young LLP
Bedford House
Bedford Street
Belfast, BT2 7DT

Bankers

Royal Bank of Scotland
280 Bishopsgate
London EC2M 4R8

Solicitors

Burges Salmon
6 New Street Square
London
EC4A 3BF

Registered Office

6th Floor
33 Holborn
London EC1N 2HT

Strategic report

The directors present their strategic report of Renewable Energy Income Partnership Holdings 1 Limited (the "Company") for the year ended 30 June 2020. Consolidated financial statements have been prepared for the Company together with its subsidiaries, which together comprise the "Group".

Principal activities and review of the business

The Company is a holding company and the Group's principal activity is the operation of solar plants for the generation of solar power.

During the year the group changed its operations and maintenance supplier. In doing so, the group paid a settlement sum, recognised within cost of sales, in order to exit the former operations and maintenance contracts ahead of the contracted period. In addition a proportion of revenue had reduced in the year as a result of falling power prices due to COVID-19. Prices have since recovered. Notwithstanding this settlement amount and pricing fluctuations, the directors consider the results for the year to be satisfactory.

The nature of the Group's corporate structure results in significant interest costs and non-cash amortisation expenses which contribute to the net liabilities in the Group balance sheet. The Directors consider that the Group has adequate cash resources to achieve the Group's objectives and meet the Group's liabilities as they fall due.

The Group's key performance indicators are as follows:

	<i>Year ended 30 June 2020 £000</i>	<i>Year ended 30 June 2019 £000</i>
Group turnover	23,708	28,766
Operating (loss)/profit	(3,398)	11,821
EBITDA	8,974	24,135

The results for Group continue to be underpinned by strong operational performance with minimal downtime. The 17% reduction in Group turnover is largely attributable to heavily reduced market pricing following the impact on global energy prices from the COVID-19 pandemic.

The Group has net liabilities of £39,646,877 at 30 June 2020 (30 June 2019: £18,823,724) which is attributable to the accumulated amortisation of goodwill, depreciation of fixed assets, reduced by interest and principal repayments made on amounts owed to parent undertakings.

Principal risks and uncertainties

The objective of the Group is to deliver an annualised gross return of 6.35% over its term through the distribution of proceeds derived from the sale of ROCs and electricity generated by a portfolio of 26 solar photovoltaic (PV) plants located in the United Kingdom.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate and price risks), credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments changes due to variables such as interest rates, electricity prices, and inflation rates.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows. The Group is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rate.

The Group has issued loan notes which are held by the immediate parent undertaking. The interest rate is fixed. As a result, the Group is considered to have limited exposure to interest rate risk.

Strategic report (continued)

The Group is exposed to price risk due to external sales of electricity at market rates. The Group is able to mitigate price risk by fixing prices in a proportion of the Power Purchase Agreements (PPAs).

Furthermore, the directors have reassessed the market for power pricing and noted that the group remains able to meet its obligations with the most up-to-date external projections of power price reductions in response to COVID-19. In addition, the directors have performed an assessment of the projected cashflows for the 12 months from the date of approving these accounts and consider that there is no reasonable further reduction in revenue pricing which could compromise the ability of the group to meet its obligations as they fall due.

Credit risk

The Group takes on exposure to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. The group is exposed to the risk of non-payment of revenue generating activities, primarily from its PPA customers.

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the Group's counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group assesses all counterparties, including its partners, for credit risk before contracting with them. The Group monitors credit risk regularly and maintains credit support guarantee amounts from certain PPA customers.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group invests through its direct and indirect holding subsidiaries in various companies that are not traded in an organised market and may be illiquid. The Group manages liquidity risk by maintaining cash levels to fund short term operating expenses, and to repay interest and principal on long-term borrowings.

Capital risk management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns to its parent and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Group.

Important events since the year end

There have been no significant events affecting the Group's business since the year end.

On behalf of the Board



T Rosser
Director

Date: 23 June 2021

Registered No. 10644098

Directors' report

The directors present their report and financial statements of Renewable Energy Income Partnership Holdings 1 Limited (the company) for the year ended 30 June 2020.

The principal activity of the company and the principal risks and uncertainties faced by the company are stated and set out in the Strategic report.

Results and dividends

The Group loss for the year after taxation amounted to £20,823,153 (2019: £6,655,036). The directors do not propose the payment of a dividend.

Going concern

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for the 12 months from the date of approving these financial statements, which indicate the Group can continue trade for at least 12 months.

In making their assessment the directors have considered the following factors:

- The Group owns 26 solar PV plants which are generating cashflows throughout the year
- The solar PV plants have Power Purchase Agreements (PPAs) which guarantee the electricity they produce a route to market for at least 12 months
- The solar PV plants have Renewable Obligation Certificate (ROC) accreditation, which is a 20-year government subsidy administered by Office of Gas and Electricity Markets (OFGEM) which guarantees a revenue stream as long as the plants are generating electricity.
- The directors have applied sensitivities to the Group's cash flow projections which indicate cash headroom under pricing scenarios which apply a significant discount to the forward pricing curve.

The directors have assessed the market for power pricing and noted that the group remains able to meet its obligations with the most up-to-date external projections of power price reductions in response to COVID-19. In addition, the directors have performed an assessment of the projected cashflows for the 12 months from the date of approving these accounts and consider that there is no reasonable further reduction in revenue pricing which could compromise the ability of the group to meet its obligations as they fall due.

In making this assessment the directors have considered the ability to reduce planned distributions to the parent should cash flow be further compromised. The directors current assessment is therefore that the COVID-19 pandemic will not adversely affect cashflows to the extent that the Group is not a going concern.

The net current liabilities of the Group were met from cash flows generated by the Group in the year.

Directors

The directors who served the company during the year were as follows:

T Rosser

A D K Brierley

K A Shenton (resigned 27 January 2021)

L G Halstead (appointed 27 January 2021)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the Board



T Rosser
Director

Date: 23 June 2021

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Renewable Energy Income Partnership Holdings 1 Limited

Opinion

We have audited the financial statements of Renewable Energy Income Partnership Holdings 1 Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 30 June 2020 and of the group's loss for the year 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 below. We are independent of the group and 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.

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.

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.

Independent auditors' report (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Independent auditors' report (continued)

Responsibilities of directors

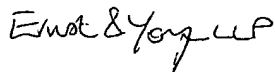
As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable 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 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.

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 23 June 2021

Group Statement of Comprehensive Income

for the year ended 30 June 2020

		30 June 2020	30 June 2019
	Notes	£	£
Turnover	3	23,707,941	28,765,758
Cost of sales		(23,054,551)	(14,018,969)
Gross profit		653,390	14,746,789
Other operating income	4	143,425	1,083,723
Administrative expenses		(4,195,630)	(4,009,250)
Operating (loss)/profit	5	(3,398,815)	11,821,262
Interest payable and similar charges		(17,498,753)	(17,777,586)
Loss before taxation		(20,897,568)	(5,956,324)
Tax on loss	7	74,415	(698,712)
Loss for the financial period		(20,823,153)	(6,655,036)
Other comprehensive income for the financial period		-	-
Total comprehensive loss for the financial period		(20,823,153)	(6,655,036)

All amounts relate to continuing activities

Group statement of financial position

at 30 June 2020

	Notes	£	30 June 2020 £	£	30 June 2019 £
Fixed assets					
Intangible assets	10		57,802,335		61,232,913
Tangible assets	11		165,171,917		173,918,818
			<u>222,974,252</u>		<u>235,151,731</u>
Current assets					
Debtors: amounts falling due within one year	12	11,284,847		11,910,396	
Cash at bank and in hand		<u>3,775,640</u>		<u>5,545,637</u>	
		15,060,135		17,456,033	
Creditors: amounts falling due within one year	13	<u>(16,666,472)</u>		<u>(7,265,210)</u>	
Net current (liabilities)/ assets			<u>(1,605,985)</u>		<u>10,190,823</u>
Total assets less current liabilities			221,368,267		245,342,554
Creditors: amounts falling due after more than one year	14	(260,162,764)		(263,239,476)	
Provisions for liabilities					
Deferred taxation	7	<u>(852,380)</u>		<u>(926,802)</u>	
			<u>(261,015,144)</u>		<u>(264,166,278)</u>
Net liabilities			<u>(39,646,877)</u>		<u>(18,823,724)</u>
Capital and reserves					
Called up share capital	15		1		1
Retained profit/(loss)			<u>(39,646,878)</u>		<u>(18,823,725)</u>
Total shareholders' deficit			<u>(39,646,877)</u>		<u>(18,823,724)</u>

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



T Rosser
Director

23 June 2021

Company statement of financial position

at 30 June 2020

		30 June 2020	30 June 2019
	Notes	£	£
Fixed assets			
Investments	9	<u>1</u>	<u>1</u>
		1	1
Current assets			
Creditors: amounts falling due within one year	13	<u>(24,500)</u>	<u>(11,750)</u>
Net current liabilities		(24,500)	(11,750)
Net liabilities		<u>(24,499)</u>	<u>(11,749)</u>
Capital and reserves			
Called up share capital	15	1	1
Retained loss		<u>(24,500)</u>	<u>(11,750)</u>
Total shareholders' deficit		<u>(24,499)</u>	<u>(11,749)</u>

No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006. The loss for the period amounted to £12,750

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



T Rosser
Director

23 June 2021

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Group statement of changes in equity

for the year ended 30 June 2020

	<i>Called up share capital</i>	<i>Retained earnings</i>	<i>Total shareholders' funds</i>
	£	£	£
At 30 June 2018	1	(12,168,689)	(12,168,688)
Total comprehensive loss for the year	-	(6,655,036)	(6,655,036)
At 30 June 2019	1	(18,823,725)	(18,823,724)
Total comprehensive loss for the year	-	(20,823,153)	(20,823,153)
At 30 June 2020	1	(39,646,878)	(39,646,877)

Called up share capital

Share capital represents the nominal value of shares that has been issued.

Retained earnings

Retained earnings includes all current and prior period retained profits and losses.

Company statement of changes in equity

for the year ended 30 June 2020

	<i>Called up share capital</i>	<i>Retained earnings</i>	<i>Total shareholders' funds</i>
	£	£	£
At 30 June 2018	1	(3,650)	(3,649)
Total comprehensive loss for the year	-	(8,100)	(8,100)
At 30 June 2019	1	(11,750)	(11,749)
Total comprehensive loss for the year	-	(12,750)	(12,750)
At 30 June 2020	1	(24,500)	(24,499)

Called up share capital

Share capital represents the nominal value of shares that has been issued.

Retained earnings

Retained earnings includes all current and prior period retained profits and losses.

Group statement of cash flows

for the year ended 30 June 2020

		30 June 2020	30 June 2019
	Notes	£	£
Net cash inflow from operating activities	16	19,051,457	22,759,829
Investing activities			
Purchase of tangible fixed assets		(195,457)	(215,624)
Net cash flow from investing activities		(195,457)	(215,624)
Financing activities			
Interest paid		(14,589,893)	(17,018,046)
Repayment of loan		(6,036,104)	(4,230,570)
		(20,625,997)	(21,248,616)
Net cash flow from financing activities		(20,625,997)	(21,248,616)
(Decrease)/Increase in cash		(1,769,997)	1,295,589
Cash and cash equivalents at the start of period		5,545,637	4,250,048
Cash and cash equivalents at 30 June		3,775,640	5,545,637

Notes to the financial statements

at 30 June 2020

1. General information

Renewable Energy Income Partnership Holdings 1 Limited (the “Company”) is a private company, limited by shares, incorporated and domiciled in England, United Kingdom with Registration number 10644098. The registered office is 6th Floor, 33 Holborn, and London, EC1N 2HT.

Consolidated financial statements have been prepared for the Company together with its subsidiaries, which together comprise the “Group”. The consolidated financial statements have been prepared in compliance with FRS 102 as it applies to the Group for the period ended 30 June 2020.

2. Accounting policies

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling (£) which is the functional currency of all entities in the Group and are rounded to the nearest £.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings made up to 30 June 2020.

No profit and loss account is presented for the Company as permitted by section 408 of 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 judgment in applying the Group’s accounting policies.

The following are the Group’s key sources of estimation uncertainty:

ROC Recycle Estimate

The Group establishes accrued income in respect of the ROC recycle based on production for the period and apply externally available best estimates for the expected ROC recycle price for the period which is outstanding. Any difference between the estimate and the actual ROC recycle price is taken as revenue in the period in which the ROC recycle price is confirmed. The carrying amount of accrued ROC recycle income based on a forecast price as at end of the reporting period, which is included within prepayments and accrued income in note 12, is £760,833 (2019: £784,623).

The following principal accounting policies have been applied:

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company’s shareholders.

The Company has taken advantage of the following exemption:

- from disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A from the provisions of FRS 102.

Notes to the financial statements

at 30 June 2020

2. Accounting policies (continued)

Going concern

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for the 12 months from the date of approving these financial statements, which indicate the Group can continue trade for at least 12 months.

In making their assessment the directors have considered the following factors:

- The Group owns 26 solar PV plants which are generating cashflows throughout the year
- The solar PV plants have Power Purchase Agreements (PPAs) which guarantee the electricity they produce a route to market for at least 12 months
- The solar PV plants have Renewable Obligation Certificate (ROC) accreditation, which is a 20-year government subsidy administered by Office of Gas and Electricity Markets (OFGEM) which guarantees a revenue stream as long as the plants are generating electricity.
- The directors have applied sensitivities to the Group's cash flow projections which indicate cash headroom under pricing scenarios which apply a significant discount to the forward pricing curve.

The directors have assessed the market for power pricing and noted that the group remains able to meet its obligations with the most up-to-date external projections of power price reductions in response to COVID-19. In addition, the directors have performed an assessment of the projected cashflows for the 12 months from the date of approving these accounts and consider that there is no reasonable further reduction in revenue pricing which could compromise the ability of the group to meet its obligations as they fall due.

In making this assessment the directors have considered the ability to reduce planned distributions to the parent should cash flow be further compromised. The directors current assessment is therefore that the COVID-19 pandemic will not adversely affect cashflows to the extent that the Group is not a going concern. The net current liabilities of the Group were met from cash flows generated by the Group in the year.

Goodwill

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight-line basis over its useful life of 20 years.

Tangible fixed assets

Tangible 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.

The Group adds to the carrying amount of an item of tangible assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Long-term leasehold property	-	4% straight-line
Plant and machinery	-	4% and 10% straight-line

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 the Statement of Comprehensive Income.

Notes to the financial statements

at 30 June 2020

2. Accounting policies (continued)

Revenue recognition

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, net of discounts, rebates, value added tax and other sales taxes.

Revenue comprises income receivable from energy generated during the year (PPAs) and the sale of certificates issued to renewable electricity generators (ROCs). Any un-invoiced income is accrued for in the month it was generated.

Revenue 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 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.

Equity investments

Equity investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at cost less impairment.

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.

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.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from the parent.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost.

Notes to the financial statements

at 30 June 2020

2. Accounting policies (continued)

Financial assets (continued)

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets' original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group undertakings, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

Creditors

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the financial statements

at 30 June 2020

2. Accounting policies (continued)

Finance costs

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

Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Deferred taxation

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Dividends

Dividends are recognised when they are approved by shareholders and are accounted for as a reduction in equity within the statement of changes in equity.

3. Turnover

Turnover is attributable to the Group's main activity: the operation of solar plants and the generation of solar power, with income receivable from energy generated during the year and the sale of ROCs. This is carried out in the United Kingdom.

	30 June 2020	30 June 2019
	£	£
Energy generation income	7,359,216	11,491,680
ROC income	15,258,375	16,368,394
Other income	1,090,350	905,684
	<u>23,707,941</u>	<u>28,765,758</u>

4. Other operating income

Other operating income mainly relates to insurance claims.

Notes to the financial statements

at 30 June 2020

5. Operating profit

The operating profit is stated after charging:

	30 June 2020	30 June 2019
	£	£
Amortisation of intangible assets	3,430,578	3,445,282
Depreciation of tangible assets	8,942,785	8,868,863
Fees payable to the Company's auditor for the audit of the Group and Company's annual financial statements	69,606	66,060
- Taxation compliance services	36,578	22,200
Operating lease charges	<u>1,390,718</u>	<u>1,406,809</u>

6. Employees and directors' remuneration

The Company had no employees during the year. The directors did not receive or waive any remuneration (period ended 30 June 2019 – £nil).

7. Tax

a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2020 £	2019 £
Current tax:		
Corporation tax on profits for the period	–	–
Adjustments in respect of previous periods	–	40,338
Total current tax	–	40,338
Deferred tax:		
Origination and reversal of timing differences	(120,968)	490,818
Adjustments in respect of previous periods	46,553	167,556
Tax on profit (note 8(b))	<u>(74,415)</u>	<u>698,712</u>

b) Factors affecting tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax of 19%. The differences are explained below:

	2020 £	2019 £
Loss before tax	(20,897,568)	(5,956,324)
Loss multiplied by standard rate of corporate tax of 19%	(3,970,538)	(1,131,702)
Disallowed expenses and non-taxable income	3,473,942	2,649,662
Movement in deferred tax unrecognised	375,628	(867,365)
Adjustment due to change in tax rate	(18,535)	(159,777)
Adjustments in respect of previous periods	65,088	(207,894)
Total tax charge for the period	<u>(74,415)</u>	<u>698,712</u>

Notes to the financial statements

at 30 June 2020

8. Tax (continued)

c) Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Deferred tax liability	852,380	926,802
At the start of the period	926,802	268,428
Prior year adjustments	46,546	167,556
Charged/(Credited) to the profit and loss account	(120,968)	490,818
At 30 June	852,380	926,802

The elements of deferred tax are as follows:

Accelerated capital allowances	852,380	926,802
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d) Factors that may affect future tax charges

Deferred tax balances have been calculated at the present UK Corporation Tax rate of 19%. Changes to this rate announced in the 2021 budget, where applicable, will be reflected in the following financial year.

Notes to the financial statements

at 30 June 2020

9. Investments in subsidiaries

<i>Company</i>	<i>Shares in participating interests</i>
	<i>£</i>
Cost	
At 1 July 2019	1
Acquired during the year	—
At 30 June 2020	<u>1</u>

<i>Name of company</i>	<i>Holding</i>	<i>Registered office</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Renewable Energy Income Partnership Holdings 2 Limited	Ordinary	London, EC1N 2HT	100%	Holding company
Renewable Energy Income Partnership Holdings Limited	Ordinary	London, EC1N 2HT	100%*	Holding company
Arevalous Power SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Belakane Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Channel Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Lodge Farm Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Elli Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
KS SPV 21 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Krieger Energy SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Walland Farm Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Little Morton Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Somerton Door Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Malwine Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Mitzi Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
MTS Rydon Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Oda Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Push Energy (Bardfield) Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Rashmika SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Cloford Common Farm Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Pollington Airfield Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Ash Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Peter Hill Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Lawn Lane Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Ratcliffe House Farm Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Carlisle Estate Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Guisborough Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Holtwood Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Brickkiln Farm Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Elios Energy Limited	Ordinary	London, EC1N 2HT	100%*	In liquidation**

*Held by a subsidiary undertaking

**Elios Energy Limited was dissolved on 20th February 2021.

The registered office for all the companies listed above is 33 Holborn, London, EC1N 2HT, England, United Kingdom.

Notes to the financial statements

at 30 June 2020

10. Intangible fixed assets

	<i>Goodwill</i>
	£
Cost:	
At 1 July 2019	68,620,299
Additions	-
At 30 June 2020	<u>68,620,299</u>
Accumulated amortisation:	
At 1 July 2019	7,387,386
Charge for the period	3,430,578
At 30 June 2020	<u>10,817,964</u>
Net book value:	
At 30 June 2020	<u>57,802,335</u>
At 30 June 2019	<u>61,232,913</u>

The useful economic life of the goodwill has been estimated by the directors at 20 years for goodwill on consolidation in line with expected flow of economic benefit from the acquired companies.

11. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Total
	£	£	£
Cost:			
At 1 July 2019	1,911,585	191,205,366	193,116,951
Additions	-	195,884	195,884
At 30 June 2020	<u>1,911,585</u>	<u>191,401,250</u>	<u>193,312,835</u>
Accumulated depreciation:			
At 1 July 2019	177,048	19,021,085	19,198,133
Charge for the period	87,542	8,855,243	8,942,785
At 30 June 2020	<u>264,590</u>	<u>27,876,328</u>	<u>28,140,918</u>
Net book value:			
At 30 June 2020	<u>1,734,537</u>	<u>172,184,281</u>	<u>173,918,818</u>
At 1 July 2019	<u>1,646,995</u>	<u>163,524,922</u>	<u>165,171,917</u>

Notes to the financial statements

at 30 June 2020

12. Debtors

<i>Group</i>	<i>30 June</i> <i>2020</i>	<i>30 June</i> <i>2019</i>
	£	£
Trade debtors	1,186,201	1,613,437
Other debtors	718,614	259,660
Prepayments and accrued income	9,380,032	10,037,299
	<u>11,284,847</u>	<u>11,910,396</u>

13. Creditors: amounts falling due within one year

<i>Group</i>	<i>30 June</i> <i>2020</i>	<i>30 June</i> <i>2019</i>
	£	£
Trade creditors	316,645	274,931
Other creditors	2,513,811	1,607,619
Taxation and social security	-	357,609
Accruals and deferred income	13,836,016	5,025,051
	<u>16,666,472</u>	<u>7,265,210</u>

Included within accruals and deferred income is an amount of £4,345,787 (2019: £4,397,160) relating to interest payable on the unsecured loan due to parent undertaking.

<i>Company</i>	<i>30 June</i> <i>2020</i>	<i>30 June</i> <i>2019</i>
	£	£
Trade creditors	11,750	11,750
Accruals and deferred income	12,750	-
	<u>24,500</u>	<u>11,750</u>

Notes to the financial statements

at 30 June 2020

14. Creditors: amounts falling due after more than one year

<i>Group</i>	<i>30 June 2020</i>	<i>30 June 2019</i>
	<i>£</i>	<i>£</i>
Amounts owed to parent undertakings	260,162,764	263,238,201
Other creditors	-	1,275
	<u>260,162,764</u>	<u>263,239,476</u>

Included within amounts owed to parent undertakings are unsecured loans with period end balances totalling £260,162,764 (2019: £263,238,201). The loan bears interest at 6.7% and is repayable before 31st December 2046.

15. Issued share capital

<i>Group and company</i>	<i>30 June 2020</i>	<i>30 June 2019</i>
<i>Allotted, called up and fully paid</i>	<i>£</i>	<i>£</i>
100 Ordinary shares of £0.01 each	<u>1</u>	<u>1</u>

16. Notes to the statement of cash flows

Group

<i>(a) Reconciliation of loss to net cash inflow from operating activities</i>	<i>30 June 2020</i>	<i>30 June 2019</i>
	<i>£</i>	<i>£</i>
Loss for the financial period	(20,823,153)	(6,655,036)
Tax on profit on ordinary activities	(74,415)	698,712
Interest paid and payable	<u>17,498,753</u>	<u>17,777,586</u>
Operating profit	(3,398,815)	11,821,262
Depreciation of tangible assets	8,942,785	8,868,863
Write off of tangible and intangible assets	-	250,128
Amortisation of goodwill	3,430,578	3,445,282
Decrease/(increase) in debtors	625,901	(1,330,383)
Increase/(decrease) in creditors	<u>9,451,008</u>	<u>(295,323)</u>
Net cash inflow from operating activities	<u>19,051,457</u>	<u>22,759,829</u>

<i>(b) Cash and cash equivalents</i>	<i>30 June 2020</i>	<i>30 June 2019</i>
	<i>£</i>	<i>£</i>
Cash at bank and in hand	<u>3,775,640</u>	<u>5,545,637</u>
	<u>3,775,640</u>	<u>5,545,637</u>

Notes to the financial statements

at 30 June 2020

17. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102 exempting from the disclosure of related party transactions with wholly owned subsidiaries.

18. Operating leases

The Group has future minimum lease payments under non-cancellable operating leases as follows:

	<i>30 June</i>	<i>30 June</i>
	<i>2020</i>	<i>2019</i>
	<i>£</i>	<i>£</i>
No later than one year	1,492,831	1,392,247
Later than one year and no later than five years	5,971,324	5,568,988
Later than five years	24,533,988	24,462,204
	<u>31,998,143</u>	<u>31,423,439</u>

The Company has no future minimum lease payments under non-cancellable operating leases.

19. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking and controlling party is Renewable Energy Income Partnership LP, a limited partnership incorporated in the United Kingdom.