

lightsource bp

Annual report and financial statements for the year ended 31 December 2020

Lightsource bp Renewable Energy Investments Limited

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VISION AND CORE VALUES

Purpose

Our purpose is to create solar power for our world by building responsible and sustainable projects for businesses and local communities.

We do this by building solar projects that have a positive impact on the environments and communities they touch, by investing in the local economy, creating local jobs and enhancing local biodiversity.

As we grow, we will continue to minimise waste, move towards net-zero emissions, protect ecosystems and improve biodiversity. Our objective is to operate as a fair and open business, supporting local communities, and promoting decent and meaningful work across our extended supply chain.

As a large yet agile-minded organisation, we can evolve quickly in our rapidly changing world to keep delivering low-cost, reliable solutions to our global customers, while responding to the climate crisis with the urgency and attention it demands.

Core Values

Safety



Creating and maintaining a long term, continuously safe and healthy environment is our top priority. Safety is a mindset and attitude we adopt and apply to everything we do. We ensure all safety measures are taken to protect our employees, customers and business partners. We are committed to safe delivery of our business to the communities and partners we work with, and are continuously creating sustainable solutions that are safe by design.

Sustainability



As a renewable energy company, we are part of the climate change solution. We also aim to reduce our own carbon emissions by a meaningful amount each year by engendering a spirit of collective responsibility amongst our employees for the welfare of the planet and the small steps they can take to sustain it. We have a reputation as a reliable and trustworthy counterparty and our business model is built on long-term relationships with our key stakeholders.

Integrity



We are a company of uncompromising integrity and business ethics. We achieve our ambitions and strategic initiatives by doing the right thing, in an honest, fair and responsible way every time. Our relationships with our employees and business partners are built on a foundation of transparency and honesty, and with trust that we will do business the right way.

Drive



We are the solar brand our communities and customers have come to count on. We adopt a 'solutions driven' mindset throughout our entire business in order to stay ahead of the game in an ever-changing global energy landscape.

Respect



We respect the law, support universal human rights, protect the environment and benefit the communities where we work. We respect each employee's individuality and privacy and do not tolerate discrimination. We take great care to respect the people and cultures of the communities we work with worldwide.

LIGHTSOURCE bp AT A GLANCE

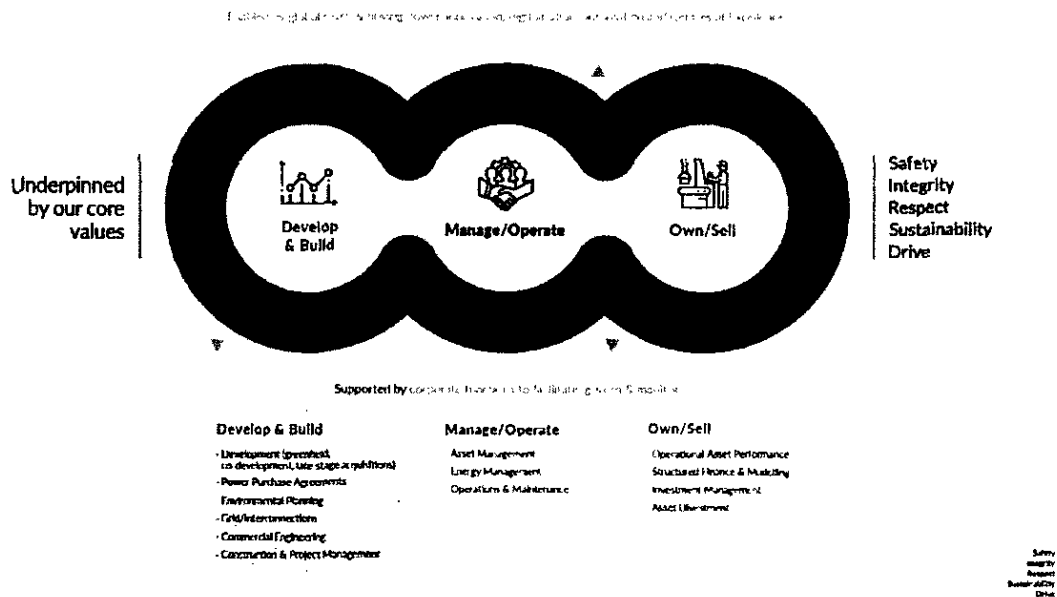
Executive Summary

Lightsource bp is a global leader in the development and management of solar energy projects, and a 50:50 joint venture with bp. Our purpose is to deliver affordable and sustainable solar power for businesses and communities around the world.

Our team includes over 500 industry specialists, working across 15 countries. We provide a full service to our customers, from initial site selection, financing and permitting through to long-term management of solar projects.

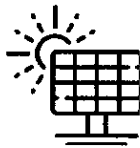
Strategy & Business Model

We create value across the entire asset lifecycle by using an integrated approach to our business structure. From financing and development through to long-term maintenance, our in-house team provides a full-service experience to our customers.



LIGHTSOURCE bp AT A GLANCE (CONTINUED)

Key Statistics



3GW
of solar projects developed
since 2010.



15 countries
where Lightsource bp is
active in.



19.3+GW
solar project pipeline in
development.

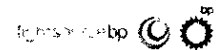


450
In-house team members.

Building a global solar brand



Lightsource bp's position



Safety
Integrity
Respect
Sustainability
Drive

2020 highlights



January:

Benjamin Kott appointed as CEO of our in-house digital innovations arm, Lightsource Labs.

April:

Conway Corp partnered with Lightsource bp to announce 132MW solar project in Arkansas.

September:

Lightsource bp and Forestalia strengthen their co-development partnership agreement with an additional 100MW solar portfolio in Spain.

October:

Penn State University's solar projects power up, producing over 100 million kWh of electricity a year which is one quarter of Penn State's energy needs

November:

Lightsource bp enters into a purchase agreement with Array Technologies to supply Lightsource bp's newly developed solar portfolio of 1.4GW with solar trackers that optimise generation.

March:

Closed a \$250 million financing package for 260MW Impact Solar project in Texas.

July:

bp announced a \$70 million investment into the Green Growth Equity Fund (GGEF) in India.

September:

Lightsource bp announced the sale of five solar projects with a combined capacity of 275MW to Statkraft Ireland.

October:

Lightsource bp successfully closed a \$285 million financing package for its Bighorn Solar project in the USA.

DIRECTORS AND ADVISERS

Directors



Mike Roney
Non-Executive Chairman



Nick Boyle
Group CEO



Kareen Boutonnat
CEO Europe &
International



Paul McCartie
Group Chief Investment
Officer



Felipe Arbelaez
Non-Executive Director



David Anderson
Non-Executive Director



Mikel Jauregi Letemendia
Non-executive Director

Executive Senior Management



Kevin Smith
CEO Americas



Carol Borg
Group Chief Financial
Officer



Heather Hayes
HR Director

Company Secretary



Randal Barker
Group General Counsel

LETTER FROM THE CEO

We all know that 2020 has been a challenge — every part of society has been impacted by the pandemic and we continue to feel its effect.

Despite the difficult circumstances, the renewables industry has managed to underline its resilience by continuing to deliver; deploying at scale; creating economic opportunities, generating record amounts of clean energy and leading the fight against climate change.

The shock of the pandemic and the need for a path out has seen a push by governments to 'build back better'. This approach will put renewables at the centre of sustainable policies — a move that will accelerate the energy transition and allow us to deliver clean energy at the pace required to hit the Paris agreement and avert catastrophic climate change. We are ready to meet that challenge.

A remarkable year, driven by a remarkable team

This year the Lightsource bp team has stepped up in the face of adversity. I have been blown away by the incredible resilience of our people who have adapted, motivated themselves and helped our business thrive while so many have struggled. We are fortunate enough to have filled more than 100 new positions during the pandemic and we don't plan on slowing down our hiring anytime soon. We now have over 500 team members across 32 nationalities — a diverse and high-performing team that I am fiercely proud of.

Despite the constraints imposed on everyone by COVID-19, the team has adjusted and continued to deliver effectively — my thanks go out to everyone at Lightsource bp.

Exceptional growth from a strong foundation

Our investment in international growth has continued to translate into more solar panels in the ground and more clean energy generated, with strong delivery across development and construction.

In 2020, we successfully developed over 1.2GW internationally — while expanding our pipeline by almost 7.3GW to over 19.3GW.

Highlights include our 300MW Bighorn project in the US which will directly provide on-site clean energy to an EVRAZ steel mill; a perfect example of the sustainable change we are driving.

We are pushing forward with the safe construction of our pipeline across the US, UK, Spain and Australia, closing out the year with 454MW reaching commercial operations, with an additional 1,152GW under construction.

Our extensive experience and track record have helped to cement our position in the market as a partner of choice for utilities and corporate power consumers — working with I3harris, Nephila, Conway Corp and many more.

In parallel, our partnership with bp continues to benefit both parties, as we entered into offtake agreements for more than 500MW of projects in the US and Spain. Looking ahead, we are excited to support bp's road to net zero by 2050 and for our partnership to continue to flourish.

LETTER FROM THE CEO (CONTINUED)

Using our strong financial foundation as a springboard for sustainable growth

This year we've once again delivered against our performance objectives, leaving us in a stronger financial position. Through the year, we raised more than £300 million in new credit lines that will bolster investment in our pipeline to deliver our ambitious growth objectives.

We continue to demonstrate value through our development activities — taking advantage of favourable market conditions to successfully divest more than 100MW of projects in the UK and a 330MW development portfolio in Ireland, releasing capital to deploy into new opportunities. Our strong financial footing, combined with sustained strong investor demand for quality Solar assets, puts us in an excellent position to contribute to the growth of the sector as the world transitions towards net zero.

With this role comes a responsibility to support the sustainable growth of our sector. This year saw us launch our Sustainability Framework, with goals which focus on three core areas: people, environment and energy. We are committed to transforming into a climate-positive business as we continue to grow, and to maximise the sustainable benefits of our solar projects around the world. As we grow, we will continue to minimise waste, move towards reducing our emissions, protect ecosystems and improve biodiversity.

Our momentum continues to build

Thankfully, we are starting to see a way out of the pandemic — as vaccines roll out and we start to claw back a sense of normalcy. While we have found ways to thrive in 2020 despite its challenges, we are ready to rise further to meet the increase demand for our skillset as governments, corporates, and utilities refocus their attention on the climate crisis and transitioning economies onto a sustainable pathway. We expect to build on the amazing achievements of the team this year, driving additional developments in our markets and exploring new opportunities. We have ambitious, but attainable goals. Our team's unrivalled preparedness and character will continue to be the catalyst that drives our growth.

The world is at an inflection point and the momentum is with us. I can't wait to help change the world together.



Nick Boyle
CEO

29th September 2021

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Business activities and the market we operate in

Lightsource bp is a global market leader in the development, acquisition and long-term management of international large-scale solar photovoltaic (PV) projects and smart energy solutions. Our projects generate competitively priced, dependable, clean energy for businesses and communities. For more information, please refer to the section 'Lightsource bp at a glance.'

Business review

Lightsource bp had a challenging year due to the impact of the Coronavirus pandemic and we continue to feel its effect. Despite these challenges the business managed to underline its resilience by continuing to generate record amounts of clean energy and leading the fight against climate change. Our investment in international growth has continued to translate into more solar farms with strong delivery across development and construction. In 2020 we successfully developed over 1.3GW internationally while expanding our domestic market by 7.3GW pipeline to over 19.3GW. Highlights include our 300MW Bighorn project in the US which will directly provide on-site clean energy to an EVRAZ steel mill. We are progressing with the safe construction of our pipeline across the US, UK, Spain and Australia closing out the year with 454MW of construction with an additional 1,808MW under construction. Our performance has helped solidify our position in the market as a partner of choice for utilities and corporate power consumers. This year we've once again delivered against our financial objectives, leaving us in a stronger financial position.

Our business model and strategy

Lightsource bp operate at all stages of the life cycle of a solar plant and we perform all of the tasks in-house. This is a key differentiator when comparing our business model with listed funds and most other solar companies. Our international development teams identify new and creative solutions, which are complimented by our world class financing team and it is with these skills and entry at the planning and development phase of a solar power plant that captures the major value of an operating solar plant. In addition, we retain the Operations and Maintenance (O&M) and Asset Management contracts of the solar plant which typically run for 35 + years and are inflation linked. Our revenue model is focused on capturing value throughout the life of the asset, integrating in-house development, securing routes to market via innovative revenue and energy management structures, operational management and asset financing expertise and operational management to optimise competitiveness (our build, own and operate strategy). Lightsource bp carefully manages its capital and maintains a keen focus on balance sheet efficiency whilst also ensuring that it has sufficient liquidity to meet its current liabilities. The core predictable operating cashflow is generated by our independent Asset Management and O&M businesses and the electricity generated from our owned operational solar plants.

Principal risks and uncertainties

Health & Safety risk

Inherently working with electricity exposes the company to health and safety risk. Creating and maintaining a long term, continuously safe and healthy environment is our top priority. Safety is a mindset and attitude we adopt and apply to everything we do. We ensure all safety measures are taken to protect our employees, customers and business partners. We are committed to safe delivery of our business to the communities and partners we work with and are continuously creating sustainable solutions that are safe by design.

Liquidity risk

The ability of the company to meet its current obligations needs to be continually considered, particularly more than ever now in the current macro-economic environment. Significant improvements have been made to liquidity forecasting outlook on a rolling five quarter basis, providing sufficient time to identify and remedy situations before they arise.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Development risk

Inherently development activities pose a level of risk. Failure to assess and mitigate third party development risks, many of which are out of our direct control is at the core of our business model. We have a cross functional experienced team that manage our development activities in country, providing us with comfort that development risks are understood and appropriately managed.

Financing risk

The company relies on access to debt markets to finance and refinance asset portfolios. Without this access to debt markets the company's ability to grow would be curtailed and the ability to meet debt repayments at the legal tenor would be challenging. In mitigation the company has had continued access to debt capital markets and good relationships with lenders and there are no immediate refinancing needs of the company.

Energy Price risk

Energy price risk has raised in profile due to the examples of the risk displayed due to the pandemic and the weather crisis in Texas in February 2021. One of the gaps identified last year, lack of established investment decision risk management procedures and a lack of delegation of authorities, has been addressed during the last review the DOC in the context of the risk management procedure. A new Global Head of Investments role has been created, the scope for which will include mitigating this risk further by developing our understanding of it and our ability to track, react and manage the risk through procedures and tools.

New market entry risk

Whilst in our growth phase, the company continues to expand into new territories. The risk of doing business in new regions has been mitigated by employing local expertise and taking our time to fully understand the market we are operating in by establishing cross disciplinary new market entry teams.

Counterparty risk

As we continue to grow, particularly in new jurisdictions, failure of our counterparties to meet obligations can pose a risk to our reputation and deliverables. We have strengthened our skill set in this area by investing in an improved risk and compliance framework, assessing the suitability of all significant counterparties prior to engaging them.

Key financial performance indicators (KPIs)

Currently we focus on Revenue, EBITDA and Net Asset Value as our key financial KPIs. In the financial year to 31 December 2020 revenue was £62.6m (period ended 31 December 2019: £55.3m), EBITDA before exceptional items was £15.2m (period ended 31 December 2019: £0.8m) and net assets of £27.4m (31 December 2019: net assets of £62.7m) all of which have exceeded budget. It is important to note that we record our assets at cost and do not value the financial significance of holding 25-year index linked Operations & Maintenance and Asset Management costs. Of particular note is the value of our development pipeline which does not materialise in our financial statements.

To drive the continuous high performance, in 2021 Lightsource bp has for the first time linked the Corporate KPIs with the short-term incentive bonus scheme in particular with that for the executive management. 2021 Corporate KPIs consists of a list of well-balanced KPIs focusing on Health and Safety, Profitability, Liquidity and Cost Efficiency.

Statement by the directors in performance of their statutory duties in accordance with Section 172 Companies Act 2006

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Board is cognisant of its duty to promote the success of the Company. It continues to carefully consider the interests of the Company's employees and other stakeholders, including the impact of its activities on communities,

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

the environment and the Company's reputation, when making decisions. The board further recognises that it has an overall responsibility for ensuring that a satisfactory dialogue with shareholders takes place. In addition to the Executive Directors, the Board is comprised of an Independent Non-Executive Director and Non-Executive bp-nominated Directors to ensure that shareholder views on LSbp matters are taken into consideration. In addition, the Board has established principal committees which support it in carrying out its duties. The Group's Delegated Operational Controls policy (DOC) articulates the internal approval requirements that have been delegated by the Board to ensure the appropriate operation of the business. The board routinely monitors the delegation of authority, ensuring that it is regularly updated, while retaining ultimate responsibility.

The Directors' Report sets out the key stakeholders whose interests the Board takes into consideration and how the Company engages with these stakeholders. When making decisions, the Board ensures that they act in the way they consider, in good faith, would most likely promote the Group's success for the benefit of its members, and in doing so have regard to:

Our purpose, strategy, and considerations for long-term consequences of decisions

Our purpose is to create solar power for our world by building responsible and sustainable projects for businesses and local communities. We do this by building solar projects that have a positive impact on the environments and communities they touch, by investing in the local economy, creating local jobs and enhancing local biodiversity.

As we grow, we will continue to minimise waste, move towards net-zero emissions, protect ecosystems and improve biodiversity. Our objective is to operate as a fair and open business, supporting local communities, and promoting decent and meaningful work across our extended supply chain. As a large yet agile-minded organisation, we have the ability to evolve quickly in our rapidly changing world to keep delivering low-cost, reliable solutions to our global customers, while responding to the climate crisis with the urgency and attention it demands.

Culture

Culture, values and standards underpin how a company creates and sustains value over the longer term and are key to maintaining a reputation for high standards of business conduct. The Group, led by the board of directors, prides itself on its reputation as industry-leaders in safety, integrity and risk management. Creating a positive social impact across the value chain is an example of this. This is achieved by operating as a fair and inclusive business, ensuring a net-positive impact for communities around our solar farms and supporting decent and meaningful work across our supply chain.

Engaging with our shareholders

The Board is committed to openly engage with our shareholders, as we recognise the importance of ongoing, effective dialogue. It is important to us that shareholders understand our strategy and objectives, so these must be explained clearly, feedback heard, and any issues or questions raised properly considered.

Approved and signed on behalf of the board



N Boyle
Director

29th September 2021

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The group's principal activity is the development, construction and operation of solar plants and the generation of solar power. The company's principal activity is to act as a holding company for the group.

Future developments

The impact of the COVID-19 outbreak on the financial performance of the Company's financial position and performance will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and the overall economy are impacted for an extended period, the Company's performance may be adversely affected.

Results and dividends

The group recorded revenue of £62.6m (period ended 31 December 2019: £55.3m). Operational solar plants generated £45.8m (period ended 31 December 2019: £39.1m) of revenue, £10.1m (period ended 31 December 2019: £13.1m) was generated by long-term contract fees, and £6.7m (period ended 31 December 2019: £3.1m) was other revenue.

No dividends were paid in the year (period ended 31 December 2019: £nil). The directors do not recommend payment of a final dividend (period ended 31 December 2019: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, were:

K Boutonnat

N Boyle

P McCartie

M Roney

M Jauregi Letemendia

F Arbelaez Hoyos (appointed 1 October 2020)

J Oliveira (appointed 22 March 2021)

D Anderson (resigned 17 March 2021)

D Windle (resigned 1 October 2020)

Financial risk management

Credit risk

The group's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk therefore arises from its trade debtors. The group has no significant concentration of credit risk, with exposure spread over a large number of customers. The risk on these customers is rated as very low, with each being supported by significant cash reserves and all invoices issued being on immediate payment terms.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Cash flow risk

The group seeks to manage risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The group is exposed to fluctuations in interest rates on its borrowings and applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. The group reduces that exposure through the use of interest rate and RPI swaps that fix the payments on those borrowings. These instruments are designated as cash flow hedges of floating rate borrowings.

Price risk

The group is exposed to price risk in its day-to-day operations and seeks to manage this risk through robust cost monitoring processes and acts accordingly where required. The Group enters into long-term fixed price contracts with customers to mitigate fluctuations on electricity prices between periods.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with the particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue. It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees and factors affecting the performance of the group. The company has regular company updates on progress and decision making. Employees are encouraged to actively participate in the discussions. The company operates a short and long-term incentive program that rewards an individual's personal performance during the year. Lightsource BP is predominately an employee-owned company and ensuring there is common alignment through short and long-term incentives is seen as an important way to attract and retain our diverse talent pool.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Understanding the view of all our stakeholders and fostering of business relationships

The Group's relationship with bp is vital to the Company's strategy. bp's commitment to net zero is an opportunity for the group to support its ambitions and be a frontrunner (e.g. through an earlier net-zero target of 2025), opening the door for collaboration opportunities to offset carbon emissions. This will be achieved by minimising waste, moving to net-zero emissions, protecting ecosystems and improving biodiversity. The Group seeks business relationships with suppliers who share our Group's values. In line with this, compliance and procurement due diligence is conducted on all suppliers prior to engaging them for services. If engaged, the services are monitored throughout the life of the relationship. All suppliers are required to comply with our Counterparty Code of Business Conduct and Ethics and to enforce these expectations throughout their supply chains. We are very aware of our reputation and the direct impact we have on our stakeholders and ensure we comply with statutory and planning regulations, health and safety and associated policies. As the climate crisis is increasingly an environmental risk to all stakeholders and business relationships of the group, we inspire and enable millions of business and communities to choose solar. This is achieved by offering low-cost solar, expanding access to sustainable low-carbon energy solutions, and raising awareness of the benefits of solar energy. The Group also offers support to local communities around its solar farms.

DIRECTORS' REPORT (CONTINUED)

F O R T H E Y E A R E N D E D 3 1 D E C E M B E R 2 0 2 0

Engaging with our employees

Employees are central to the long-term success of the company, as such, the Group has continued its practice of keeping employees informed of matters affecting them as employees and factors affecting the performance of the Group. 2020 was a particularly challenging year for our people as we adjusted to the impact of COVID-19. A team was created in February to monitor and advise the Executive on business continuity related to the disruption and risk to both our business channels and our people. LSbp took an early decision not to furlough employees based on an evaluation of the robustness of our liquidity, business systems, technology investments, working relationships and employee engagement. Resilience workshops were offered to all employees globally and we extended our provision of private healthcare cover and mental health support for all countries. Our CEO led significantly increased communication forums to ensure that our organisation and culture remained informed, connected and effective.

Our management of risk and opportunities

The strategic report covers the following business risks; counterparty risk, new market entry risk, government support risk, financing risk, liquidity risk, development risk and health & safety risk.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

CARBON EMISSIONS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Energy and Carbon reporting

The below table and supporting narrative summarise the Streamlined Energy and Carbon Reporting (SECR) disclosure in line with the requirements for a "large" group, as per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

UK energy use and associated greenhouse gas emissions:

As the Group has outsourced its day-to-day activities to third parties, there are no significant greenhouse gas emissions from its direct operations. In relation to the Group's investments, the main greenhouse gas emissions arise from electricity imports and from operations and maintenance activity.

	31.12.2020
Electricity consumption – kW m2	425,243
Gas consumption - MWh	
Associated carbon emissions from electricity consumption – tonnes kgCO ₂ e	70,123
Associated carbon emissions from gas consumption – tonnes kgCO ₂ e	13,898
Estimated mileage from operations and maintenance activity ('000 miles)	1,154
Emissions from operations and maintenance activity – tonnes CO ₂ e	501.91
Intensity ratio – total tonnes tCO ₂ e per electricity generation (GWh)	2.9
Intensity ratio – total tonnes tCO ₂ e per revenue (£m)	14.5

Consumption data was determined by using site meter data. Estimated mileage from operations and maintenance activity was derived from vehicle tracking systems.

Associated emissions were determined by applying the UK government conversion factors to the relevant activity.

CARBON EMISSIONS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Energy efficiency action taken:

As the core function of the group's assets is renewable (solar) energy generators, they reduce carbon dioxide emissions on a net basis, see table below for further details:

The above data was determined by using UK government data for average annual household consumption.

	31.12.2020
Electricity generation - MWh	395,133
Equivalent number of households powered in the year	105,905
Equivalent tonnes of CO ₂ avoided	109,570

Approved and signed on behalf of the board



N Boyle
Director
29th September 2021

COMPANY INFORMATION

Company number

09494479

Registered office

7th Floor
33 Holborn
London
EC1N 2HU

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Independent auditors' report to the members of Lightsource bp Renewable Energy Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion, Lightsource bp Renewable Energy Investments Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements for the year ended 31 December 2020 (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2020; the Consolidated profit and loss account, the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

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 year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK and overseas tax legislation and the Companies Act 2006, and we considered the extent to which

non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to overstate revenue. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of board minutes;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulation;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular their anti-bribery controls;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, which included but was not limited to, Impairment of assets, Capitalisation of development and constructions costs, and recognition of Decommissioning provisions.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

29 September 2021

Consolidated profit and loss account

For the year ended 31 December 2020

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Turnover	3	62,617	55,268
Cost of sales		(33,747)	(26,971)
Gross profit		28,870	28,297
Administrative expenses		(71,255)	(52,790)
Other operating income/(expense)	3	30,670	(2)
Operating loss	4	(11,715)	(24,495)
Exceptional items	4	-	(1,863)
Operating loss before exceptional items		(11,715)	(22,632)
Profit on disposal of subsidiaries	12	3,178	1,406
Loss from joint ventures		(431)	(461)
Other interest receivable and similar income	7	843	1,172
Interest payable and similar expenses	8	(34,134)	(20,788)
Loss before taxation		(42,259)	(43,166)
Tax on loss	9	27,029	10,416
Loss for the financial year		(15,230)	(32,750)

Consolidated statement of comprehensive income

For the year ended 31 December 2020

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss for the financial year	(15,230)	(32,750)
Other comprehensive (loss)/profit for the year		
Change in value of hedging instrument and deferred tax	(13,667)	1,789
Change due to foreign exchange on net investment	(2,313)	431
Other comprehensive (loss)/profit for the year	(15,980)	2,220
Total comprehensive loss for the year	(31,210)	(30,530)

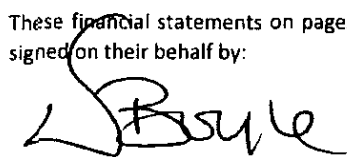
The notes on pages 26 to 59 form part of these financial statements.

Consolidated balance sheet

As at 31 December 2020

		31 December 2020	31 December 2019
	Note	£'000	£'000
Fixed assets			
Intangible assets	10	102,055	100,212
Tangible assets	11	924,020	293,894
Investments	12	7,295	9,034
		1,033,370	403,140
Current assets			
Stocks	13	191	321
Debtors	14	216,697	214,023
Cash at bank and in hand		188,076	118,571
		404,964	332,915
Creditors: amounts falling due within one year	15	(99,715)	(109,021)
Net current assets		305,249	223,894
Total assets less current liabilities		1,338,619	627,034
Creditors: amounts falling due after more than one year	16	(1,302,750)	(564,358)
Provisions	19	(8,506)	-
Net assets		27,363	62,676
Capital and reserves			
Called up share capital	20	16	16
Share premium account		176,108	176,108
Other reserves		(34,457)	(14,374)
Profit and loss account		(114,304)	(99,074)
Total shareholders' funds		27,363	62,676

These financial statements on pages 21 to 59 were approved by the board of directors on 29th September 2021 and are signed on their behalf by:



N Boyle
Director
29th September 2021

Company balance sheet

As at 31 December 2020

		31 December 2020	31 December 2019
	Note	£'000	£'000
Fixed assets			
Investments	12	97,854	97,854
		97,854	97,854
Current assets			
Debtors	14	218,583	189,122
Cash at bank and in hand		209	34,863
		218,792	223,985
Creditors: amounts falling due within one year	15	(3,095)	(3,844)
Net current assets		215,697	220,141
Total assets less current liabilities		313,551	317,995
Creditors: amounts falling due after more than one year	16	-	-
Net assets		313,551	317,995
Capital and reserves			
Called up share capital	20	16	16
Share premium account		176,108	176,108
Other reserves		(4,305)	(202)
Profit and loss account			
- At 1 January		142,073	142,476
- Loss for the year		(341)	(403)
Total shareholders' funds		313,551	317,995

These financial statements on pages 21 to 59 were approved by the board of directors on 29th September 2021 and are signed on their behalf by:



N Boyle
Director
29th September 2021

Registered number 09494479

Consolidated statement of changes in equity

For the year ended 31 December 2020

	Other reserves	Share premium account	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2019	(15,556)	131,477	14	(66,324)	49,611
Loss for the financial period	-	-	-	(32,750)	(32,750)
Other comprehensive income	2,220	-	-	-	2,220
Total comprehensive loss	2,220	-	-	(32,750)	(30,350)
Net purchase of shares	(1,038)	-	-	-	(1,038)
Net issue of shares	-	44,631	2	-	44,633
Balance at 31 December 2019	(14,374)	176,108	16	(99,074)	62,676
Loss for the financial year	-	-	-	(15,230)	(15,230)
Other comprehensive loss	(15,980)	-	-	-	(15,980)
Total comprehensive loss	(15,980)	-	-	(15,230)	(31,210)
Net purchase of shares	(4,103)	-	-	-	(4,103)
Balance at 31 December 2020	(34,457)	176,108	16	(114,304)	27,363

Other reserves for the group comprise of: (£7,634k) distributable reserves (31 December 2019: (£7,634k)); £8,470k capital redemption reserve (31 December 2019: £8,470k), (£5,141k) treasury shares reserve (31 December 2019: (£1,038k)), (£28,234k) Hedge reserve (31 December 2019: (£14,567k)) and (£1,918k) foreign exchange reserve (31 December 2019: £395k).

Company statement of changes in equity

For the year ended 31 December 2020

	Other reserves	Share premium account	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2019	836	131,477	14	142,476	274,803
Loss for the financial year	-	-	-	(403)	(403)
Net purchase of shares	(1,038)	-	-	-	(1,038)
Issue of shares	-	44,631	2	-	44,633
Balance at 31 December 2019	(202)	176,108	16	142,073	317,995
Loss for the financial year	-	-	-	(341)	(341)
Total comprehensive loss	-	-	-	(341)	(341)
Net purchase of shares	(4,103)	-	-	-	(4,103)
Balance at 31 December 2020	(4,305)	176,108	16	141,732	313,551

Other reserves for the company comprise of: (£7,634k) distributable reserves (31 December 2019: (£7,634k)); and £8,470k capital redemption reserve (31 December 2019: £8,470k), (£5,141k) treasury shares reserve (31 December 2019: (£1,038k)).

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Net cash flow from operating activities	21	41,158	(74,136)
Taxation		(1,950)	(262)
Net cash generated from/(used in) operating activities		39,208	(74,398)
Cash flow from investing activities			
Purchase of tangible fixed assets		(635,699)	(78,712)
Proceeds from sale of fixed assets		1,154	-
Interest received		-	142
Acquisition of subsidiaries		(1,686)	(21,480)
Cash acquired/(disposed) with acquisition of subsidiaries		13	(395)
Acquisition of associates	12	(1,920)	(1,937)
Acquisition of financial derivatives		(7,414)	-
Buyback of shares		(4,103)	(1,038)
Issue of shares		-	44,633
Proceeds from sale of subsidiaries		7,864	17,720
Net cash used in investing activities		(641,791)	(41,067)
Cash flow from financing activities			
Receipt of loans		907,259	267,471
Interest paid		(15,173)	(12,620)
Repayment of loans		(190,025)	(85,192)
Loan costs		(29,671)	(11,905)
Net cash generated from financing activities		672,390	157,754
Increase in cash in the year		69,807	42,289
Cash and cash equivalents at the beginning of the year/period		118,571	76,192
Effects of exchange rate on cash and cash equivalents		(302)	90
Cash and cash equivalents at the end of the year		188,076	118,571

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

1. General information

Lightsource BP Renewable Energy Investments Limited is a private company, limited by shares, incorporated and registered in England, United Kingdom, registration number 09494479. The address of its registered office is 7th Floor, 33 Holborn, London, EC1N 2 HU.

Statement of compliance

The group and company financial statements of Lightsource BP Renewable Energy Investments Limited have been prepared in compliance with the applicable United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements are prepared on the going concern basis, in accordance with applicable UK Accounting Standards, under the historical cost convention as modified by recognition of certain financial liabilities at fair value. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in policy "Critical accounting judgements and key source of estimation uncertainty" within this note.

2.2 Basis of consolidation

The consolidated financial statements include the results of Lightsource bp Renewable Energy Investments Limited and all of its subsidiary undertakings for the year ended 31 December 2020. No profit and loss account for the company has been presented as permitted by Section 408 of the Companies Act 2006. In preparing the consolidated financial statements uniform accounting policies have been adopted across the group and profits/losses on intra group transactions have been eliminated. Copies of the financial statements can be obtained from 7th Floor, 33 Holborn, London, EC1N 2HU.

2.3 Going concern

The directors have at the date of approving these financial statements, a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. This expectation was based on various sensitivity analysis on equity and liquidity forecasts as well as covenant compliance tests which yielded positive projections. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Foreign Currency

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

Notes to the financial statements (continued)

For the year ended 31 December 2020

2 Summary of significant accounting policies (continued)

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

2.5 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts, intra-group sales and rebates allowed by the company and value added taxes. Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's sales channels have been met.

Revenue is derived from income receivable from the energy generated by solar plants owned during the year, asset management and monitoring fees being the ongoing costs of managing the solar companies, operational and maintenance fees for maintaining sites and development fees being earned for each new site commissioned. Revenue is recognised as energy is generated or services are provided with appropriate accruals/deferrals depending on the timing of invoicing.

2.6 Tangible assets

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

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

Leasehold and improvements	-	20% to 50% straight line for improvements and over the period of the lease for long-term leasehold property
Plant and machinery	-	4% and 10% straight line
Fixtures & fittings	-	25% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line

Notes to the financial statements (continued)

For the year ended 31 December 2020

2 Summary of significant accounting policies (continued)

2.7 Goodwill

Goodwill arising on acquisition is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill is amortised over 20 years which is the useful economic life of the underlying assets.

2.8 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

2.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.10 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.11 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.12 Stocks

Stocks are valued at the lower of cost being the purchase price, and net realisable value after making due allowance for obsolete and slow-moving stocks.

Notes to the financial statements (continued)

For the year ended 31 December 2020

2 Summary of significant accounting policies (continued)

2.13 Capitalised development costs

Capitalised development costs include spend on development projects which is held until the project is financed and ready to be constructed. Upon reaching Financial Close the spend is then categorised as Property, Plant and Equipment.

2.14 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.15 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

However, a net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the financial statements (continued)

For the year ended 31 December 2020

2 Summary of significant accounting policies (continued)

2.16 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity. The group has elected to apply section 11 and 12 of FRS 102.

2.17 Hedging arrangements

The group does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

The group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

2.18 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the period.

2.19 Decommissioning provisions

The group has certain contractual and planning obligations to return operating sites to their original condition. A decommissioning liability is recognised when there is a legal or constructive obligation, the outflow can be reliably measured, and it is probable that an outflow will occur.

Notes to the financial statements (continued)

For the year ended 31 December 2020

2 Summary of significant accounting policies (continued)

2.19 Critical accounting judgements and key source of estimation uncertainty

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

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The most critical of these accounting judgements and estimates are explained below:

(i) Impairment

In assessing impairment, judgement is required to establish whether there have been any indicators of impairment either internal or external for all amortising and depreciating non-current assets. Once the need for a review of the carrying value of an asset has been determined, valuation requires estimation techniques similar to those used for acquired assets and is therefore subject to similar estimates and judgements.

(ii) Capitalisation of development and construction costs

When developing a site for power plant construction estimates are required to establish the point at which the project is sufficiently certain to begin capitalising costs. The decision to capitalise is based upon expectations regarding likelihood of planning consent and estimates of financial viability which, in themselves, are areas of judgement.

(iii) Decommissioning provisions

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

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

Notes to the financial statements (continued)

For the year ended 31 December 2020

3 Turnover and other income

The group recorded revenue of £62.6m (31 December 2019: £55.3m). Operational solar plants generated £45.8m (31 December 2019: £39.1m) of revenue, £10.1m (31 December 2019: £13.1m) was generated by long-term contract fees, and £6.7m (31 December 2019: £3.1m) was other revenue.

The group recorded other income of £30.7m (31 December 2019: (£2m)) which includes a contract settlement of £29.8m.

4 Operating loss

This is stated after (charging)/Income:

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Depreciation of tangible fixed assets – owned by the group	(17,919)	(14,710)
Auditors' remuneration (company: £2k)	(555)	(565)
Non-audit- Assurance services (company: nil)	(252)	(100)
Amortisation of intangibles	(6,244)	(5,223)
Operating lease charge	(2,182)	(1,458)
Profit on disposal of fixed assets	119	231
(Loss) on foreign exchange	(323)	(1,583)

In 2019 the following exceptional costs were disclosed:

- £1.3m professional costs in relation to the early termination of 121 O&M contracts disclosed in note 26
- £0.3m professional costs in relation to the BP shareholding increase
- £0.2m impairment of investments.

Notes to the financial statements (continued)

For the year ended 31 December 2020

5 Staff costs

Group staff costs, including directors' remuneration, were as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Wages and salaries	47,894	31,929
Social security costs	4,696	3,069
Other pension costs	1,189	955
	53,779	35,953

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

	31 December 2020	31 December 2019
	Number	Number
Asset Co	144	118
Corporate	87	18
Dev Co	142	150
Operations	66	92
	439	378

6 Directors' remuneration

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	
Aggregate emoluments	2,312	1,538

The highest paid director received remuneration of £632k (period ended 31 December 2019: £633k).

During the year pension contributions of £49,404 (period ended 31 December 2019: £40,273) were made in respect of 3 directors (period ended 31 December 2019: 3)

Notes to the financial statements (continued)

For the year ended 31 December 2020

7 Other interest receivable and similar income

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
On bank deposits	-	1,172
On shareholder loans with joint venture	843	-
	843	1,172

8 Interest payable and similar expenses

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
On bank loans and overdrafts	26,533	16,720
On finance leases and hire purchase contracts	4	8
Amortisation of loan costs	7,026	4,060
	34,134	20,788

Notes to the financial statements (continued)

For the year ended 31 December 2020

9 Tax on loss

(a) Analysis of credit in period/year

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Current taxation:		
UK corporation tax charge on profit for the period/year	(5,733)	928
Adjustments in respect of previous periods	66	(11)
Total current taxation	(5,667)	917
Deferred taxation		
Origination and reversal of timing differences	(21,234)	(11,321)
Adjustment in respect of previous periods	(128)	(12)
Total deferred taxation (note 17)	(21,362)	(11,333)
Tax on loss	(27,029)	(10,416)

Notes to the financial statements (continued)

For the year ended 31 December 2020

9 Tax on loss (continued)

(b) Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than the standard rate of corporation taxation in the UK of 19% (2019: higher). The differences are explained below:

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Loss before taxation	(42,259)	(43,166)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(8,029)	(8,202)
Effects of:		
Expenses not deductible for tax purposes	2,748	1,834
Income not taxable for tax purposes	(1,006)	(849)
Deferred tax not recognised	(3,029)	996
Investment tax credits	(6,284)	(2,701)
Equity partner share of tax credits	(9,831)	-
Research and development tax credits	(50)	(50)
Transfer pricing adjustments	-	216
Effect of changes in tax rates	89	(192)
Impact of overseas tax rates	(1,574)	(1,457)
Adjustments in respect of previous periods	(63)	(11)
Total tax credit for the period/year	(27,029)	(10,416)

(c) Factors that may affect future tax charge

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period accordingly increase the deferred tax asset by £1,571,780.

Notes to the financial statements (continued)

For the year ended 31 December 2020

10 Intangible assets

Group	Brands £'000	Computer software £'000	Goodwill £'000	Total £'000
Cost				
As at 1 January 2020	1,031	-	120,221	121,252
Additions	-	1,300	6,581	7,881
Reclassification	-	933	-	933
Foreign exchange translation	(36)	-	-	(36)
At 31 December 2020	995	2,233	126,802	130,030
Accumulated amortisation				
As at 1 January 2020	125	-	20,915	21,040
Charge for the year	53	28	6,163	6,244
Reclassification	-	698	-	698
Foreign exchange translation	(7)	-	-	(7)
At 31 December 2020	171	726	27,078	27,975
Net book value				
At 31 December 2020	824	1,507	99,724	102,055
At 31 December 2019	906	-	99,306	100,212

During the period the group acquired four new companies: Fuerzas Energéticas del Sur de Europa SL, Modelos Energéticos Sostenibles SL Belenos and SRL L Pollon SRL

Assets acquired	31 December 2020 £'000	31 December 2019 £'000
Fixed assets	38	3,243
Debtors	1,959	9,135
Cash at bank	13	-
Creditors amounts falling due within one year	(45)	(11,072)
Net assets	1,965	1,306
Initial cash consideration	1,686	21,480
Deferred consideration	6,860	2,974
Total Consideration	8,546	24,454
Goodwill	6,581	23,148

Goodwill is being amortised over 20 years which is the useful economic life of the underlying assets.

Notes to the financial statements (continued)

For the year ended 31 December 2020

11 Tangible Assets

Group	Land	Leasehold and improvements	Plant and machinery	Fixtures and fittings	Motor vehicles	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
As at 1 January 2020	8,573	11,367	358,859	1,394	1,082	2,377	383,652
Additions	-	-	652,157	192	-	210	652,559
Disposals	(1,003)	-	(327)	-	(82)	(45)	(1,457)
Reclassification	-	-	-	-	-	(933)	(933)
Foreign exchange on translation	139	-	(21)	(5)	-	(4)	109
At 31 December 2020	7,709	11,367	1,010,668	1,581	1,000	1,605	1,033,930
Accumulated depreciation							
As at 1 January 2020	-	2,578	83,667	803	759	1,938	89,745
Charge for the year	-	378	16,949	301	148	143	17,919
Disposals	-	-	(310)	-	(66)	(45)	(421)
Reclassification	-	-	-	-	-	(698)	(698)
Foreign exchange on translation	-	-	(137)	(5)	-	(2)	(144)
At 31 December 2020	-	2,956	100,169	1,099	841	1,336	106,401
Impairment							
As at 1 January 2020	-	-	13	-	-	-	13
Charge for the year	-	-	3,496	-	-	-	3,496
At 31 December 2020	-	-	3,509	-	-	-	3,509
Net book value							
At 31 December 2020	7,709	8,411	906,990	482	159	269	924,020
At 31 December 2019	8,573	8,789	275,179	591	323	439	293,894

Notes to the financial statements (continued)

For the year ended 31 December 2020

12 Investments

Group	Investment in associated undertakings	Investment in joint venture	Total investments
	£'000	£'000	£'000
Cost			
As at 1 January 2020	2,859	6,175	9,034
Share of profit/(loss)	-	(430)	(430)
Additions	-	1,920	1,920
Disposals	(2,854)	(223)	(3,077)
Impairment	-	(152)	(152)
Net book value at 31 December 2020	5	7,290	7,295

Company	Investment in subsidiary undertakings
	£'000
Cost	
As at 1 January 2020 and 31 December 2020	97,854
Net book value at 31 December 2019	97,854
Net book value at 31 December 2020	97,854

Subsidiary undertakings

The following were the subsidiary undertakings of the company at the 31 December 2020, all ordinary shares are owned 100% (except where stated otherwise). Subsidiaries which have taken the dormant subsidiary exemption by virtue of s394A of the Companies Act 2006 have been denoted by (D). The registered address of all subsidiaries, except where denoted otherwise in the footnotes to this table, is: 7th Floor 33 Holborn London EC1N 2HU.

Lightsource Holdings 1 Limited
 Lightsource Holdings 2 Limited
 Lightsource Operations 1 Limited
 Lightsource Operations 1 Limited
 Lightsource Operations Services Limited
 Lightsource Holdings 3 Limited
 Lightsource Development Services Limited
 Lightsource Residential Rooftops Limited
 Lightsource UK Property Investments 1 LP

Lightsource Grace 1 Limited
 Lightsource Grace 2 Limited
 Lightsource Grace 3 Limited
 Lightsource Viking 1 Limited
 Lightsource Viking 2 Limited
 Lightsource SPV 286 Limited
 Lightsource Kingpin 1 Limited
 Lightsource Kingpin 2 Limited
 Lightsource SPV 10 Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

12 Investments (continued)

Lightsource Bodegas 3 Limited
 Lightsource Bodegas 4 Limited
 Lightsource Construction Management Limited
 Lightsource Finca 3 Limited
 Lightsource Renewable UK Development Limited¹²
 Lightsource Residential Rooftops (PPA) Limited
 Lightsource Trading Limited
 Lightsource Renewable Global Development Limited
 Lightsource Commercial Rooftops Limited
 Lightsource Renewable Energy (NI) Limited⁹
 Lightsource SPV 258 Limited
 Lightsource SPV 259 Limited
 Lightsource Iberia Project Holdings Limited
 Lightsource Impact 1 Limited¹
 Lightsource Impact 2 Limited²
 Lightsource Holdings 1 Limited
 Lightsource Asset Holdings 1 Limited
 Lightsource Asset Holdings 2 Limited
 Lightsource Asset Holdings 3 Limited
 Lightsource Asset Holdings (Australia) Limited
 Lightsource Asset Holdings (USA) Limited
 Lightsource Asset Holdings (Europe) Limited
 Lightsource Asset Holdings (Spain) Limited
 Lightsource Asset Holdings (Vendimia I) Limited
 Lightsource Asset Holdings (Vendimia II) Limited
 Lightsource Asset Holdings (UK) Limited³
 Lightsource Manzanilla Limited
 Lightsource Kingfisher Holdings Limited
 Lightsource Operations 2 Limited
 Lightsource Operations 3 Limited
 Lightsource Renewable Energy Holdings Limited
 Lightsource Asset Management Limited
 Lightsource Renewable Services Limited
 Lightsource Residential Rooftops (Buyback) Limited
 Lightsource Commercial Rooftops (Buyback) Limited
 Lightsource Midscale Limited
 Lightsource Residential NI Limited
 Sel PV 09 Limited

Lightsource Kingpin 3 Limited
 Lightsource Radiate 1 Limited
 Lightsource Radiate 2 Limited
 Aashman Power Limited
 Burnthouse Solar Limited
 Chattering Solar Limited
 Donoma Power Limited
 Ffos Las Solar Developments Limited
 Gnowee Power Limited
 Howbery Solar Park Limited
 Kala Power Limited
 Lightsource SPV 5 Limited
 Lightsource SPV 8 Limited
 Lightsource SPV 26 Limited
 Lightsource SPV 32 Limited
 Lightsource SPV 49 Limited
 Lightsource SPV 50 Limited
 Lightsource SPV 69 Limited
 Lightsource SPV 76 Limited
 Lightsource SPV 79 Limited
 Lightsource SPV 106 Limited
 Lora Solar Limited
 Manor Farm (Solar Power) Limited
 Meri Power Limited
 MTS Trefinnick Solar Limited
 Nextpower Trevemper Limited
 Nima Power Limited
 Palk Power Limited
 Pont Andrew Limited
 Shakti Power Limited
 Sula Power Limited
 Sun and Soil Renewable 12 Limited
 TGC Solar 106 Limited
 TGC Solar 91 Limited
 Tonatiuh Trading 1 Limited
 Tuwale Power Limited
 Lightsource Simba Limited
 Lightsource Nala Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

12 Investments (continued)

Lightsource SPV 40 Limited
 Lightsource SPV 54 Limited
 Lightsource Property 1 Limited⁴
 Lightsource Property 2 Limited⁵
 Lightsource Property Investment Holdings Limited
 Lightsource Property Investments 1 Limited
 Lightsource Property Investment Management (LPIM) LLP
 LL Property Services Limited
 Lightsource Renewable Energy Australia Holdings Limited
 Lightsource Australia SPV 1 Pty Limited¹⁵
 Lightsource Australia SPV 2 Pty Limited¹⁵
 Lightsource Australia SPV 3 Pty Limited¹⁵
 Lightsource Australia FinCo Holdings Limited⁶
 Lightsource Renewable Energy (Australia) Pty¹⁵
 Lightsource Development Services Australia Pty¹⁵
 Lightsource Labs Holdings Limited
 Lightsource Labs 1 Limited
 Lightsource Labs Australia Pty Limited¹⁵
 Lightsource LS Labs Australia Operations Pty Limited¹⁵
 Lightsource Asset Management Australia Pty¹⁵
 Lightsource Australia HoldCo 1 Pty Limited¹⁵
 Lightsource Australia FinCo 1 Pty Limited¹⁵
 Lightsource Australia SPV 4 Pty Limited¹⁵
 LS Australia FinCo 2 Pty Ltd¹⁵
 Wellington LandCo Pty Limited¹⁵
 West Wyalong HoldCo 2 Pty Ltd¹⁵
 West Wyalong Fund Pty Ltd¹⁵
 West Wyalong Trust¹⁵
 West Wyalong FinCo Pty Ltd¹⁵
 Woolooga HoldCo 2 Pty Ltd¹⁵
 Woolooga Fund Pty Ltd¹⁵
 Woolooga Trust¹⁵
 Woolooga FinCo Pty Ltd¹⁵
 Lightsource Brazil Holdings 1 Limited
 Lightsource Brasil Energia Renovavel Ltda¹⁷
 Apollo Geração de Energia Ltda¹⁸
 Vale do Cochá Geração de Energia Ltda²⁰
 Verde Grande Geração de Energia Ltda²¹
 Porteiras Geração de Energia Ltda²²
 Lightsource Brazil Holdings 2 Limited
 Lightsource Brasil Energia Renovavel Participacoes SA¹⁷
 Lightsource Milagres I Geração de Energia Ltda¹⁹
 Lightsource Milagres II Geração de Energia Ltda¹⁹
 Lightsource Milagres II Geração de Energia Ltda¹⁹

Lightsource Timon Limited
 Lightsource Pumbaa Limited
 Lightsource SPV 20 Limited
 Lightsource SPV 39 Limited
 Lightsource SPV 42 Limited
 Lightsource SPV 44 Limited
 Lightsource SPV 74 Limited
 Lightsource SPV 105 Limited
 Lightsource SPV 109 Limited
 Lightsource SPV 123 Limited
 Lightsource SPV 135 Limited
 Lightsource SPV 143 Limited
 TW QE2 Limited
 Lightsource SPV 160 Limited
 Lightsource SPV 169 Limited
 Lightsource SPV 170 Limited
 Lightsource SPV 180 Limited
 Lightsource SPV 200 Limited
 MTS Francis Court Solar Limited
 Lightsource SPV 224 Limited
 H7 Energy Limited
 Wick Farm Grid Limited
 Bodmin Solar Limited
 Thames Electricity Limited
 Free Power for Schools 19 Limited
 Freetricity Commercial June Limited
 Your Power No 12 Limited
 Lightsource Raindrop Limited
 Lightsource SPV 266 (NI) Limited
 Lightsource SPV 18 Limited (D)
 Lightsource SPV 19 Limited (D)
 Lightsource SPV 25 Limited (D)
 Lightsource SPV 29 Limited (D)
 Lightsource SPV 35 Limited (D)
 Lightsource SPV 41 Limited (D)
 Lightsource SPV 47 Limited (D)
 Lightsource SPV 56 Limited (D)
 Lightsource SPV 60 Limited (D)
 Lightsource SPV 73 Limited (D)
 Lightsource SPV 75 Limited (D)
 Lightsource SPV 78 Limited (D)
 Lightsource SPV 88 Limited (D)
 Lightsource SPV 91 Limited (D)
 Lightsource SPV 92 Limited (D)

Notes to the financial statements (continued)

For the year ended 31 December 2020

12 Investments (continued)

Lightsource Milagres IV Geração de Energia Ltda ¹⁹	Lightsource SPV 98 Limited (D)
Lightsource Milagres V Geração de Energia Ltda ¹⁹	Lightsource SPV 100 Limited (D)
Lightsource Bom Lugar IV Geração de Energia Ltda ²³	Lightsource SPV 101 Limited (D)
Lightsource Bom Lugar V Geração de Energia Ltda ²³	Lightsource SPV 108 Limited (D)
Lightsource Bom Lugar VI Geração de Energia Ltda ²³	Lightsource SPV 112 Limited (D)
Lightsource Bom Lugar VII Geração de Energia Ltda ²³	Lightsource SPV 114 Limited (D)
Lightsource Bom Lugar VIII Geração de Energia Ltda ²³	Lightsource Renewable Energy Italy Holdings Ltd
Lightsource Greece SPV 1 Single Member S.A. ³³	Lightsource Egypt Holdings Limited
Lightsource Renewable Energy Italy Holdings Srl ²⁴	Lightsource SPV 115 Limited (D)
Lightsource Renewable Energy Italy Development, S.r.l. ²⁴	Lightsource SPV 116 Limited (D)
Lightsource Renewable Energy Italy SPV 1 S.r.l. ²⁴	Lightsource SPV 118 Limited (D)
Lightsource Renewable Energy Italy SPV 2 S.r.l. ²⁴	Lightsource SPV 126 Limited (D)
Lightsource Renewable Energy Italy SPV 3 S.r.l. ²⁴	Lightsource SPV 127 Limited (D)
Lightsource Renewable Energy Italy SPV 4 S.r.l. ²⁴	Lightsource SPV 128 Limited (D)
Lightsource Renewable Energy Italy SPV 5 S.r.l. ²⁴	Lightsource SPV 130 Limited (D)
Lightsource Renewable Energy Italy SPV 6 S.r.l. ²⁴	Lightsource SPV 133 Limited (D)
Lightsource Renewable Energy Italy SPV 7 S.r.l. ²⁴	Lightsource SPV 138 Limited (D)
Lightsource Renewable Energy Italy SPV 8 S.r.l. ²⁴	Lightsource SPV 140 Limited (D)
Lightsource Renewable Energy Italy SPV 9 S.r.l. ²⁴	Lightsource SPV 142 Limited (D)
Lightsource Renewable Energy Portugal Holdings Limited ⁷	Lightsource SPV 145 Limited (D)
Compatible Opportunity Lda ²⁵	Lightsource SPV 149 Limited (D)
Compatibleglobe Lda ²⁵	Lightsource SPV 151 Limited (D)
Lightsource SPV 203 Limited	Lightsource SPV 152 Limited (D)
Lightsource Renewable Energy Iberia Holdings Limited	Lightsource SPV 154 Limited (D)
Lightsource Finca Limited	Lightsource SPV 155 Limited (D)
Lightsource Bodegas Limited	Lightsource SPV 156 Limited (D)
Lightsource Renewable Energy Garnacha, SL ²⁶	Lightsource SPV 162 Limited (D)
Lightsource Renewable Energy Spain Holdings SL ²⁶	Lightsource SPV 166 Limited (D)
Lightsource Renewable Energy Spain Development SL ²⁶	Lightsource SPV 167 Limited (D)
Lightsource Renewable Energy Spain SPV 1 SL ²⁶	Lightsource SPV 171 Limited (D)
Aragonesa de Gestión de Energías Alternativas, SL ²⁶	Lightsource SPV 174 Limited (D)
Fuerzas Energéticas del Sur de Europa IV, SL ²⁶	Lightsource SPV 175 Limited (D)
Fuerzas Energéticas del Sur de Europa XIX, SL ²⁶	Lightsource SPV 176 Limited (D)
Energías Renovables de Ixion, SL ²⁶	Lightsource SPV 179 Limited (D)
Vendimia Grid, AIE ²⁶	Lightsource SPV 182 Limited (D)
Implantación de Fuentes Energéticas de Origen Renovable, SL ²⁶	Lightsource SPV 183 Limited (D)
Lightsource Renewable Energy Trading, SL ²⁷	Lightsource SPV 184 Limited (D)
Lightsource Europe Asset Management, SL ²⁸	Lightsource SPV 185 Limited (D)
Lightsource Spain O&M, SL ²⁹	Lightsource SPV 187 Limited (D)
Lightsource Renewable Energy Cariñena, SL ²⁶	Lightsource SPV 189 Limited (D)
Lightsource India Holdings Limited	Lightsource SPV 191 Limited (D)
Lightsource Renewable Energy (India) Limited	Lightsource SPV 192 Limited (D)
Lightsource India Limited	Lightsource SPV 196 Limited (D)
LREHL Renewables India SPV 1 Private Limited ¹²	Lightsource SPV 199 Limited (D)

Notes to the financial statements (continued)

For the year ended 31 December 2020

12 Investments (continued)

Lightsource Renewable Energy India Projects Limited	Lightsource SPV 201 Limited (D)
Lightsource India Maharashtra 1 Holdings Limited	Lightsource SPV 202 Limited (D)
Lightsource India Maharashtra 1 Limited	Lightsource SPV 204 Limited (D)
Lightsource Renewable Energy India Holdings Limited	Lightsource SPV 205 Limited (D)
Lightsource Renewable Energy India OpCo Private Limited ¹⁶	Lightsource SPV 206 Limited (D)
Lightsource Renewable Energy India Assets Limited	Lightsource SPV 212 Limited (D)
Lightsource Ireland SPV 6 Limited ³⁴	Lightsource SPV 213 Limited (D)
Lightsource Ireland Development Holdings Limited ³⁴	Lightsource SPV 214 Limited (D)
Lightsource India Holdings (Mauritius) Limited	Lightsource SPV 215 Limited (D)
Lightsource India Investments (UK) Limited	Glade Solar Holdings 1, LLC ¹¹
Lightsource Renewable Energy Ireland Limited ⁸	Lightsource SPV 217 Limited (D)
Lightsource Renewable Energy Netherlands SPV 2 B.V. ¹⁴	Lightsource SPV 218 Limited (D)
Ubiworx Systems Designated Activity Company ⁸	Lightsource Finance 55 Limited (D)
Lightsource Renewable Energy Netherlands Holdings Limited	Lightsource Renewable Energy Limited (D)
Lightsource Renewable Energy Netherlands Development BV ¹⁴	Lightsource Largescale Limited (D)
Lightsource Renewable Energy Netherlands Holdings BV ¹⁴	Lightsource SPV 254 Limited (D)
Zonneweide Westdorperveen B.V. ¹⁴	Lightsource Labs Limited ⁸
Lightsource Renewable Energy Netherlands SPV 1 B.V. ¹⁴	Lightsource SPV 267 (NI) Limited (D)
Lightsource Renewable Energy Netherlands SPV 3 B.V. ¹⁴	Lightsource SPV 268 (NI) Limited (D)
Lightsource Singapore Renewables Private Limited ¹⁰	Lightsource SPV 269 (NI) Limited (D)
Lightsource Singapore Renewables Holdings Private Limited ¹⁰	Lightsource SPV 270 (NI) Limited (D)
Lightsource Renewable Energy US, LLC ¹¹	Lightsource SPV 271 (NI) Limited (D)
Lightsource Renewable Energy Management, LLC ¹¹	Lightsource SPV 272 (NI) Limited (D)
Lightsource Renewable Energy Operations, LLC ¹¹	Lightsource SPV 273 (NI) Limited (D)
Lightsource Renewable Energy Trading, LLC ¹¹	Lightsource SPV 274 (NI) Limited (D)
Lightsource Renewable Energy Development, LLC ¹¹	Lightsource SPV 275 (NI) Limited (D)
Lightsource Beacon Holdings, LLC ¹¹	Lightsource SPV 276 (NI) Limited (D)
Clean Vision Solar LLC ³²	Lightsource SPV 277 (NI) Limited (D)
Solar Strategic Energy LLC ³²	Lightsource SPV 278 (NI) Limited (D)
Johnson CornerSolar 1 LLC ¹¹	Lightsource SPV 279 (NI) Limited (D)
Bighorn Solar I, LLC ¹¹	Lightsource SPV 280 (NI) Limited (D)
Wildflower Solar 1 LLC ¹¹	Lightsource SPV 281 (NI) Limited (D)
Wildflower Solar Land Holdings LLC ¹¹	Lightsource SPV 282 (NI) Limited (D)
Continental Divide Solar Land Holdings LLC ¹¹	Lightsource SPV 283 (NI) Limited (D)
Lightsource Beacon, LLC ¹¹	Lightsource SPV 284 (NI) Limited (D)
Blackbear Alabama Solar 1, LLC ¹¹	Lightsource SPV 285 (NI) Limited (D)
Blackbear Alabama Solar Land Holdings, LLC ¹¹	Free Power for Schools 4 Limited (D)
Whitetail Solar 2, LLC ¹¹	Free Power for Schools 5 Limited (D)
Whitetail Solar 3, LLC ¹¹	Free Power for Schools 6 Limited (D)
Whitetail Solar Land Holdings, LLC ¹¹	Free Power for Schools 7 Limited (D)
Elk Hill Solar 1, LLC ^{11 & 30}	Free Power for Schools 13 Limited (D)
Elk Hill 2, LLC ^{11 & 31}	Free Power for Schools 14 Limited (D)
Whitetail Solar 6, LLC ¹¹	Free Power for Schools 15 Limited (D)
Impact Solar 1, LLC ¹¹	

Notes to the financial statements (continued)

For the year ended 31 December 2020

12 Investments (continued)

LSBP NE Development LLC ¹¹	Your Power No2 Limited (D)
Lightsource Asset Holdings (USA) Limited	Your Power No3 Limited (D)
Lightsource Renewable Energy US Assets, LLC ¹¹	Your Power No8 Limited (D)
Lightsource Renewable Energy Asset Management Holdings, LLC ¹¹	Your Power No10 Limited (D)
Lightsource Renewable Energy Asset Management, LLC ¹¹	Your Power No19 Limited (D)
Lightsource Renewable Energy Services Holdings, LLC ¹¹	Lightsource SPV 255 Limited (D)
Lightsource Renewable Energy Services, Inc. ¹¹	Lightsource SPV 245 Limited (D)
Lightsource Renewable Energy Assets Holdings, LLC ¹¹	Lightsource SPV 246 Limited (D)
Glade Solar Holdings 2, LLC ¹¹	Lightsource SPV 247 Limited (D)
Glade Solar Class B, LLC ¹¹	Lightsource SPV 248 Limited (D)
Glade Solar Holdings, LLC ¹¹	Lightsource SPV 249 Limited (D)
Glade Solar Land Holdings, LLC ¹¹	Lightsource SPV 250 Limited (D)
Glade CD Solar Holdings LLC ¹¹	Lightsource SPV 251 Limited (D)
Glade Solar Construction Holdings, LLC ¹¹	Lightsource SPV 252 Limited (D)
Glade Solar Construction, LLC ¹¹	Lightsource SPV 253 Limited (D)
Continental Divide Solar 1 LLC (bluewater) ¹¹	Lightsource SPV 261 Limited (D)
Continental Divide Solar 2 LLC (grants) ¹¹	Lightsource SPV 262 Limited (D)
Whitetail Solar 1, LLC ¹¹	Lightsource SPV 263 Limited (D)
Impact Solar Holdings 2, LLC ¹¹	Lightsource SPV 264 Limited (D)
Impact Solar Holdings 1, LLC ¹¹	Lightsource SPV 265 Limited (D)
Impact Solar Construction, LLC ¹¹	Free Power for Schools 17 Limited (D)
Impact Solar Class B, LLC ¹¹	Freetricity Central June Limited (D)
Impact Solar Holdings, LLC ¹¹	Solar Photovoltaic (SPV2) Limited (D)
Happy Solar 1, LLC ³⁶	Solar Photovoltaic (SPV3) Limited (D)
Bellflower Solar 1, LLC ³⁶	Lightsource SPV 219 Limited (D)
Birch Solar 1, LLC ³⁶	Lightsource SPV 221 Limited (D)
Poplar Solar 1, LLC ³⁶	Lightsource SPV 222 Limited (D)
Lightsource Renewable Energy Asset Holdings 1, LLC ³⁶	Lightsource SPV 223 Limited (D)
Maverick Solar Class B, LLC ³⁶	Lightsource SPV 225 Limited (D)
Maverick Solar Construction, LLC ³⁶	Lightsource SPV 226 Limited (D)
Maverick Solar Holdings 1, LLC ³⁶	Lightsource SPV 227 Limited (D)
Maverick Solar Holdings 2, LLC ³⁶	Lightsource SPV 230 Limited (D)
Maverick Solar Holdings, LLC ³⁶	Lightsource SPV 232 Limited (D)
Bighorn Solar Class B, LLC ³⁶	Lightsource SPV 233 Limited (D)
Bighorn Solar Construction, LLC ³⁶	Lightsource SPV 234 Limited (D)
Bighorn Solar Holdings 1, LLC ³⁶	Lightsource SPV 235 Limited (D)
Bighorn Solar Holdings 2, LLC ³⁶	Lightsource SPV 236 Limited (D)
Bighorn Solar Holdings, LLC ³⁶	Lightsource SPV 237 Limited (D)
Elk Hill Solar 2 Holdings, LLC ³⁶	Lightsource SPV 238 Limited (D)
Lightsource Beacon 2, LLC ³⁶	Lightsource SPV 239 Limited (D)
Cottontail Solar 1, LLC ³⁶	Lightsource SPV 241 Limited (D)
Cottontail Solar 2, LLC ³⁶	Lightsource SPV 242 Limited (D)
Cottontail Solar 3, LLC ³⁶	Lightsource SPV 243 Limited (D)
Cottontail Solar 4, LLC ³⁶	Lightsource SPV 244 Limited (D)

Notes to the financial statements (continued)

For the year ended 31 December 2020

12 Investments (continued)

Cottontail Solar 5, LLC³⁶

Cottontail Solar 6, LLC³⁶

Cottontail Solar 7, LLC³⁶

Cottontail Solar 8, LLC³⁶

Brechin Castle Solar Limited³⁵

Orange Grove Solar Limited³⁵

Ventress Solar Farm 1, LLC³⁶

Registered Addresses:

1. Lightsource Impact 1 Limited (formerly Lightsource SPV 256 Limited) 26/11/19
2. Lightsource Impact 2 Limited (formerly Lightsource SPV 257 Limited) 26/11/19
3. Lightsource Asset Holdings (UK) Limited (formerly Lightsource Asset Holdings Limited) 22/11/19
4. Lightsource Property 1 Limited (formerly Lightsource Trojan 1 Limited) 04/09/19
5. Lightsource Property 2 Limited (formerly Lightsource Trojan 2 Limited) 04/09/19
6. Lightsource Australia FinCo Holdings Limited (formerly Lightsource Asset Holdings Australia Limited)
7. Lightsource Renewable Energy Portugal Holdings Limited (formerly Lightsource SPV 240 Limited) 26/06/19
8. Trinity House, Charleston Road, Ranelagh Dublin 6 D06C8X4
9. Regus Business Centre, Cromac Square, Belfast, Northern Ireland, BT2 8LA
10. 8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981
11. Little Falls Drive, Wilmington, DE 19808
12. 815-816 International Trade Tower, Nehru Place, New Delhi New Delhi DL 110019 IN
13. Woodwater House, Pynes Hill, Exeter, England, EX2 5WR
14. Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands
15. 'CBW' LEVEL 19 181 WILLIAM STREET MELBOURNE VIC 3000
16. No.44/38,1st Floor, Veerabhadran Street, Valluvarkottam, Nungambakkam, Chennai, Tamil Nadu, India, 600034
17. Bernardino de Campos, n. 98., Conj. A, 12 Andar, Sala 37, Paraíso, São Paulo, 04.004-040, Brazil
18. Sítio Canto, número S/N, bairro / distrito Zona Rural, município Russas - CE, CEP 62900-000
19. Sítio Cajueiro - Abaiara - BR 116, KM491, Caatinga Grande, Zona Rural, Abaiara, 63.240-000, Brazil
20. Estrada BR 030, número S/N, CXPST 08, bairro / distrito Zona Rural, município Montalvania - MG, CEP 39495-000
21. Fazenda Contendas, localizada na Rodovia Joaquim de Freitas, sentido Mato Verde a Catuti, Km 2 à direita, Zona Rural, município de Mato Verde-MG, CEP 39527-000
22. Estrada BR 135, número S/N, KM 250, bairro / distrito Angico de Minas, município Japonvar - MG, CEP 39335-000
23. Fazenda Terra Nova, located at Rod. Padre Cícero (CE 153), S/N, KM 58, Lima Campos, City of Icó, State of Ceará, Zip Code 63.435-000
24. Via Giacomo, Leopardi 7 CAP 20123, Milano, Italy
25. Via Giacomo, Leopardi 7 CAP 20123, Milano, Italy
26. Calle Alcalá número 63, 28014, Madrid, Spain
27. C/Pradillo 5, Bajo Exterior Derecha, 28002, Madrid, Spain
28. Calle Suero de Quinones, Numero 34-36, 28002, Madrid, Spain
29. Calle Suero de Quinones, Numero 34-36, 28002, Madrid, Spain
30. Elk Hill Solar 1, LLC (formerly Whitetail Solar 4, LLC) Q4 2020
31. Elk Hill 2, LLC (formerly Whitetail Solar 5, LLC) Q4 2020
32. 400 Montgomery Street, Floor 8, San Francisco, CA 94104
33. '280 KIFISIAS AVENUE 15232 CHALANDRI, GREECE
34. Trinity House, Charleston Road, Ranelagh, Dublin 6, D06C8X4
35. '48-50 Sackville Street, Port of Spain, Trinidad & Tobago
36. c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808

Notes to the financial statements (continued)

For the year ended 31 December 2020

13 Stocks

	Group	Group	Company	Company
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Finished goods	191	321	-	-

14 Debtors

	Group	Group	Company	Company
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	2,923	6,175	-	-
Amounts owed by group undertakings	-	-	218,559	153,945
Amounts owed by related parties	1,050	4,325	-	-
Other debtors	3,925	38,883	24	35,071
Deferred tax	34,325	9,520	-	-
Other taxation and social security	16,784	3,835	-	41
Prepayments and accrued income	157,690	151,285	-	65
	216,697	214,023	218,583	189,122

Trade debtors is shown net of a bad debt provision of £850k (period ended 31 December 2019: £2,472k). Of amounts owed by related parties, £1,051k (period ended 31 December 2019: £2,057k) represents loan notes issued by Lightsource Pumpkin 2 Limited, which attract interest at 7 percent. Other debtors include £nil (31 December 2019: £32m) due to the bp Growth Capital Payments. Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Within prepayments and accrued income is £74.8m (2019: £62.2m) of development expenditure.

Notes to the financial statements (continued)

For the year ended 31 December 2020

15 Creditors: amounts falling due within one year

	Group	Group	Company	Company
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	21,714	58,472	-	-
Owed to associated undertakings	-	2,921	-	3,632
Trade creditors	20,483	4,944	-	202
Other creditors	9,067	8,365	3,082	10
Corporation Tax	2,578	480	-	-
Hire Purchase	31	63	-	-
Accruals and deferred income	45,842	33,776	13	-
	99,715	109,021	3,095	3,844

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

16 Creditors: amounts falling due after more than one year

	Group	Group	Company	Company
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	1,157,202	546,579	-	-
Tax equity contributions	113,404	3,268	-	-
Financial derivatives liability	31,673	14,035	-	-
Other creditors	452	427	-	-
Hire purchase	19	49	-	-
	1,302,750	564,358	-	-

Notes to the financial statements (continued)

For the year ended 31 December 2020

16 Creditors: amounts falling due after more than one year (continued)

Bank loans and tax equity contributions are payable as follows:

	Group	Group	Company	Company
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Less than one year	23,756	58,472	-	-
Between one and two years - bank loans	364,575	20,232	-	-
Between two and five years - bank loans	693,250	288,210	-	-
More than five years - bank loans	139,173	257,218	-	-
More than five years - tax equity contributions	113,404	3,268	-	-
	1,334,158	627,400	-	-

Bank loans and tax equity contributions in the above table are shown gross of capitalised loan costs £36,104k (31 December 2019: £18,334k) and capitalised tax equity costs £5,733k (31 December 2019: £746k) which are amortised over the life of the loan. Capitalised loan costs amortisation charged in the period was £6,636k (period ended 31 December 2019: £4,060k) and capitalised tax equity costs amortisation in the period was £353k (31 December 2019: £4k).

Transactions during the current and prior years

Xenium 1

On 20 February 2020 the group entered into a \$200m multi-currency revolving credit facility. This covers the groups four main currencies – GBP, USD, EUR, AUD. The purpose of the facility was to provide financing for the group's equity contributions into various global projects. The facility incurs interest at floating rate of LIBOR plus 0.45%, payable 6-monthly. A guarantee was provided by BP International Limited for the benefit of the lenders in the Facility Agreement for any payment obligation of the Borrower. After the balance sheet date the facility was expanded by a further \$200m.

Xenium 2

On 18 September 2020 the group entered into a £150m multi-currency revolving credit facility ("Tranche A"). This covers the groups four main currencies – GBP, USD, EUR, AUD. The purpose of the facility was to provide financing for the group's equity contributions into various global projects. The facility incurs interest at floating rate of LIBOR plus 1.75%, payable 6-monthly. On 18 December the group increased the facility by a further £75m ("Tranche B") to fund global development spend. After the balance sheet date the facility was expanded by a further £50m ("Tranche C") and £75m ("Tranche D") taking the capacity up to £350m.

LIONKING

Completed on the 25th September 2015 the £183.5m project finance facility (Lionking) funded the construction and acquisition of 156MWp FIT and ROC assets. The group also entered into swap agreements to hedge 90% of the interest rate and inflation risk. The interest rate is LIBOR + 1.45% until September 2021 then LIBOR + 1.52% until maturity.

Notes to the financial statements (continued)

For the year ended 31 December 2020

16 Creditors: amounts falling due after more than one year (continued)

KINGPIN

Completed on the 26th October 2015 the facility financed the 101 MWp Kingpin portfolio. The debt is broken down as Senior Debt of £216.7m (indexed linked rate of 0.776% + inflation) and Senior subordinated debt of £30.5m (indexed linked rate of 1.776% + inflation).

PUMPKIN

Completed on the 24th December 2015 the project finance facility (Pumpkin) funded the construction of ROC assets in the UK and Northern Ireland. On the 25th of July 2017 Lightsource sold 90% of Lightsource Pumpkin 1 Limited, and its debt to an external non-group company. On 18 May 2020, the group's remaining 10% equity share in the portfolio was sold in a private transaction. On the date of sale, the Term facility was repaid in full.

AUSTIN*

In May 2019 the group entered a 5-year, £150m facility (Austin) to finance the Group's equity contributions into newly developed projects and refinance finance facilities in place at the time.

GLADE*

In September 2019, the group entered a 3-year facility to finance the construction of a US portfolio of PPA backed Solar Assets consisting of 125MWp across seven sites. This comprises of a USD50.0 Term facility (floating rate of LIBOR + 1.3%). The group also entered into swap agreements to hedge 85% of the interest rate. As at December 2020, the Term facility was drawn to USD42.7m.

WELLINGTON*

In October 2019, the group entered a 5-year, AUD235m facility to finance the construction of a 200MWp site in Australia, (floating rate of BSBW + 1.65%). The group also entered into swap agreements to hedge 90% of the interest rate. As at 31 December 2020, the facility was drawn by AUD167.7m to fund construction activities.

IMPACT*

In December 2019, the group entered into a 9 month bridge facility (Impact) of USD25.0m (LIBOR + 175bps) to finance the equity requirements of a 260MWp site in the US. During 2020, the facility was fully drawn to USD25.0m and subsequently repaid in September 2020. In March 2020, the group entered into a 5 year, USD254.2m Tax Equity bridge and construction facility (Impact) to finance the construction of a US single Solar Asset consisting of 260MWp. The group also entered into new swap agreements to hedge 75% of the interest rate. During 2020, the Tax Equity Bridge was fully drawn & repaid in December 2020 with the Tax Equity investment at term conversion. As at December 2020, the term loan is drawn to USD77.5m.

KA08A

In October 2019, the group entered a 12-month facility to finance the acquisition of Spanish assets from an external non group company Spanish Development Company. This comprised of a EUR36.3m bridging facility (floating rate of EURIBOR + 3.25% to June 2020 and 3.37% following June 2020). The full facility was repaid in December 2020.

Notes to the financial statements (continued)

For the year ended 31 December 2020

16 Creditors: amounts falling due after more than one year (continued)

VENDIMIA*

In December 2019, the group entered a 3-year, EUR140.2m facility (Vendimia) to finance the construction of 247MWp across five sites in Spain. The group also entered into new swap agreements to hedge 95% of the interest rate. During 2020, the term facility was drawn to fund the construction activities with an outstanding balance at 31 December 2020 of EUR114.6m.

BEACON*

In December 2019, the group entered a 3-year facility (Beacon) to finance the purchase of equipment to be used on US projects in the pipeline. This comprised of a USD171.1m Equipment Supply and Letter of Credit facility. The group has entered into a swap agreement to hedge 75% of the interest rate. As of December 31, 2020, the outstanding loan balance is \$82.7m.

BEACON 2*

In December 2020, the group entered a 3-year facility (Beacon 2) to finance the purchase of equipment to be used on US projects in the pipeline. This comprised of a USD154.0m Equipment Supply and Letter of Credit facility. The group also entered into a swap agreement during 2020 to hedge 50% of the interest rate. As of December 31, 2020, the outstanding loan balance is \$100.2m.

Elkhill 2

On 11 August 2020, the group entered a bridging loan facility totalling \$8.7m for the purpose of providing equity funding. The facility incurs interest at floating rate of LIBOR plus 1.5%, payable 6-monthly. The group also entered into new swap agreements to hedge 75% of the interest rate, with LIBOR fixed at 0.912%.

BIGHORN

In September 2020, the group entered into a USD228.8m, 6-year Construction project finance and Tax Equity bridge facility (Bighorn) to finance the construction of a US single Solar Asset consisting of 300MWp. The group also entered into new swap agreements to hedge 85% of the interest rate. The facilities were undrawn at 31 December 2020.

MAVERICK

In December 2020, the group entered a USD252.1m, 6-year Construction project finance and Tax Equity bridge facility (Maverick) to finance the construction of a portfolio of US Solar Assets consisting of two sites totalling 316MWp. The group also entered into new swap agreements to hedge 85% of the interest rate. The facilities were undrawn at 31 December 2020.

Security

Bank facilities are secured against the assets of the entities within the group that entered into those debt arrangements.

* These facilities have been supported by a Parent Company Guarantee from Lightsource bp Renewable Energy Investments Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

17 Deferred tax

	31 December 2020	31 December 2019
	£'000	£'000
Balance at beginning of the year	(9,520)	1,817
Deferred tax (credit) to profit and loss for the year/period	(21,362)	(11,333)
Deferred tax (credit)/to other comprehensive income	(3,443)	(4)
Balance at the end of the year/period	(34,325)	(9,520)

The deferred taxation asset recognised in the financial statements is as follows:

	31 December 2020	31 December 2019
	£'000	£'000
Deferred tax (assets) / liabilities recognised at 17% (period ended 31 December 2019: 17%)		
Accelerated capital allowances	(24,280)	137
Losses	(6,989)	(6,290)
Short-term timing differences	387	-
Derivative contracts	(3,443)	(3,367)
	(34,325)	(9,520)
Deferred tax (assets) not recognised (gross)		
Accelerated capital allowances	(482)	(22,900)
Short-term timing differences	(26,540)	(150)
Losses	(4,183)	(44,205)
Pre trading expenditure	(6,964)	(5,940)
Derivative contracts	-	(15,393)
	(38,169)	(88,588)

Notes to the financial statements (continued)

For the year ended 31 December 2020

18 Financial instruments

Group

The group has the following financial instruments:

	Note	31 December 2020 £'000	31 December 2019 £'000
Financial assets at fair value through profit or loss		-	-
Financial assets that are debt instruments measured at amortised cost			
- Trade debtors	14	2,923	6,175
- Other debtors	14	3,925	38,883
- Accrued income	14	8,596	5,232
		15,444	50,290
Financial liabilities measured at amortised cost			
- Senior loans	15/16	(1,292,320)	(605,051)
- Mezzanine loans	15/16	-	-
- Trade Creditors	15	(20,483)	(4,944)
- Accruals	15	(43,988)	(29,480)
- Other creditors	15/16	(9,519)	(8,792)
		(1,366,310)	(648,267)
Other financial liabilities measured at fair value			
- Derivative financial instruments	16	(31,673)	(14,035)
		(31,673)	(14,035)

Derivative Financial Instruments – Interest Rate Swaps

The group has entered interest rate swaps to receive interest at LIBOR and pay interest at a fixed average of 1.73%. The swaps are based on a notional amount of £576,845k and mature between 2023 and 2041.

The instruments are used to hedge the group's exposure to interest rate movements on the Senior Loan Facility. The hedging arrangements fixed the total interest payable on the sterling hedge Senior Loan to 1.73% on average. The fair value of the interest rate swap is (£31,739k).

Cash flows on both the loan and the interest rate swaps are paid semi-annually until 2041. The first cashflow was paid in August 2016.

Notes to the financial statements (continued)

For the year ended 31 December 2020

18 Financial instruments (continued)

Derivative Financial Instruments – RPI Swaps

The group has entered an inflation swap to receive a fixed inflation rate and pay a floating amount based on the RPI. The swap is based on a notional amount of £6,441k and matures in 2036.

The instrument is used to hedge the group's exposure to RPI movements on the Senior Loan Facility. The hedging arrangement fixed the fraction of the cash flows available for debt service exposed to RPI on the sterling Senior Loan to an average of 2.87%. The fair value of the RPI swap is (£1,147k)

Cash flows on both the loan and the interest rate swaps are paid semi-annually until 2036. The first cashflow was paid in September 2016.

Company

The company has the following financial instruments:

	Note	31 December 2020 £'000	31 December 2019 £'000
Financial assets that are debt instruments measured at amortised cost			
- Other debtors	14	24	35,071
- Amounts owed by group undertakings	14	218,559	153,945
		218,583	189,016
Financial liabilities measured at amortised cost			
- Other creditors	15	(3,082)	(10)
- Amounts owed to group undertakings	15	-	(3,632)
		-	(3,642)

Notes to the financial statements (continued)

For the year ended 31 December 2020

19 Provisions

	Decommissioning	Other	Total
At 1 January 2020	-	-	-
Transferred from accruals	-	4,103	4,103
Utilised/released	-	(1,276)	(1,276)
Created in year	3,652	2,027	5,679
Total	3,652	4,854	8,506

During the period the Group transferred £4.1m previously disclosed in accrual to provisions. At balance sheet date the recognised £3.7m decommissioning provisions for 12 solar sites where it was determined that residual values will not be sufficient to cover future restoration obligations.

20 Called up share capital

Group and company

	31 December 2020	31 December 2019
	£'000	£'000
Allotted and called-up		
13,245,106 (31 December 2019: 13,245,106) 'A' ordinary shares of £0.001 each, fully paid	13	13
479,270 (31 December 2019: 479,270) 'C' ordinary shares of £0.001 each, fully paid	1	1
309,960 (31 December 2019: 309,960) 'D' ordinary shares of £0.001 each, fully paid	-	-
747,956 (31 December 2019: 747,956) 'E' ordinary shares of £0.001 each, fully paid	1	1
770,383 (31 December 2019: 770,383) 'F' ordinary shares of £0.001 each, fully paid	1	1
229,196 (31 December 2019: 229,196) 'G' ordinary shares of £0.001 each, fully paid	-	-
	16	16

Notes to the financial statements (continued)

For the year ended 31 December 2020

21 Net cash flow from operating activities

Group	31 December 2020	31 December 2019
	£'000	£'000
Loss for the financial year/period	(15,230)	(32,750)
Tax on loss	(27,029)	(10,416)
Net interest expenses	33,291	19,616
Gain on sale of subsidiaries	(3,178)	(1,406)
Loss from associated undertakings	431	461
Operating loss	(11,715)	(24,495)
Depreciation of tangible fixed assets	17,919	14,710
Impairment of fixed assets	3,496	-
Amortisation of goodwill	6,163	5,170
Amortisation of brands and software	81	54
Investment tax credit	(9,831)	-
Gain on sale of subsidiary	(3,224)	-
(Profit)/loss on disposal of tangible fixed assets	(119)	231
Decrease in stocks	131	36
Decrease/(Increase) in debtors	21,252	(79,913)
(Decrease)/Increase in creditors	17,005	10,071
Net cash (outflow) from operating activities	41,158	(74,136)

Net Debt

	1 January 2020	Cash Flows	Non-Cash Changes	31 December 2020
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	118,571	69,807	(302)	188,076
Bank Loans	(624,132)	(597,942)	1,320	(1,220,754)
Tax equity contributions	(3,268)	(119,293)	9,157	(113,404)
Derivatives	(14,035)	-	(17,638)	(31,673)
Total	(522,864)	(647,582)	(7,309)	(1,177,755)

All bank loans and tax equity contributions are presented gross of capitalised loan costs

Notes to the financial statements (continued)

For the year ended 31 December 2020

22 Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,189k (31 December 2019: £955k). At the balance sheet date outstanding pension contributions amounted to £189k (31 December 2019: £185k).

23 Operating lease commitments

At 31 December 2020 the group had commitments under non-cancellable operating leases as follows:

Land and buildings	31 December 2020	31 December 2019
	£'000	£'000
Expire:		
Within 1 year	2,007	1,869
Between 2 and 5 years	7,304	6,557
More than 5 years	20,037	16,929
	29,348	25,355

Notes to the financial statements (continued)

For the year ended 31 December 2020

24 Contingent liabilities

There are obligations on the Company to remove the solar assets upon expiry of the contractual terms. In the event that no agreement is reached with the property owners to transfer ownership in lieu of any decommissioning obligations, it is the intention of the Directors to fulfil those obligations.

At balance sheet date the Directors reassessed the accounting judgement and recognised £3.7m decommissioning provisions for 12 solar sites where it was determined that residual values will not be sufficient to cover future restoration obligations.

For the remaining sites, the Directors believe that it is more probable than not that the property owners will wish to take title of the assets for continued use, and that an agreement will be reached to transfer ownership. As such, the Directors do not believe that an outflow is probable to settle the decommission obligation and a provision has therefore not been recognised for those entities. The Directors will continue to monitor this situation at each balance sheet date.

25 Related party transactions

31 December 2020

Within the year a number of transactions were undertaken with bp plc owned companies. These transactions included:

- A signed PPA to become the offtaker of the energy generation from our 260 MW Impact Project
- £252k invoiced costs for the provision of secondees providing Finance Transformation services to Lightsource Holdings 2 Limited

31 December 2019

On 25 July 2017, 90% of the share capital of Lightsource Pumpkin 1 Limited and all its subsidiaries was sold to GRP II Holdings (UK) Limited. Since this date, entities within the group headed by Lightsource Pumpkin 1 Limited ceased to be wholly owned within the same group. For the year, the company re-charged £463,716 of management services and £29,674 of rent to entities within the group headed by Lightsource Pumpkin 1 Limited. At year end, £nil was outstanding.

Within the year a number of transactions were undertaken with bp plc owned companies. These transactions included:

- Parent Company Guarantee's provided up to the value of £333m.
- A signed PPA to become the offtaker of the energy generation from our 248 MW Vendimia project
- £215k invoiced costs for the provision of secondees providing Finance Transformation services to Lightsource Holdings 2 Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

26 Parent company guarantees

The following companies have taken the advantage of the exemption from audit under S479A of the Companies Act 2006. Accordingly, as the ultimate parent undertaking, Lightsource BP Renewable Energy Investments Limited has consented to the exemption and in accordance with S479C of the Companies Act 2006, has guaranteed all outstanding liabilities of the following companies as at 31 December 2020 until they are satisfied in full:

Registration	Company	Registration	Company
9737388	Lightsource SPV 236 Limited	8769590	Lightsource SPV 142 Limited
7744337	Lightsource Residential Rooftops Limited	8924915	Lightsource SPV 149 Limited
7837806	Free Power for Schools 7 Limited	8935979	Lightsource SPV 179 Limited
7837795	Free Power for Schools 17 Limited	9732328	Lightsource Australia FinCo Holdings Limited
7807882	Your Power No. 3 Limited	8751505	Lightsource SPV 101 Limited
9727615	Lightsource Elk Hill Solar 2 Holdings Limited	9733003	Lightsource SPV 223 Limited
10853848	Lightsource Operations 1 Limited	9723500	Lightsource SPV 258 Limited
12303864	Lightsource Asset Holdings (Spain) Limited	7957081	Lightsource SPV 47 Limited
9722641	Lightsource Trinidad Holdings (UK) Limited	7985101	Lightsource SPV 73 Limited
7743729	Lightsource SPV 18 Limited	8762525	Lightsource SPV 128 Limited
7957073	Lightsource SPV 60 Limited	8936354	Lightsource SPV 182 Limited
8766219	Lightsource SPV 138 Limited	8943830	Lightsource SPV 204 Limited
7985107	Lightsource SPV 75 Limited	NI634676	Lightsource SPV 266 (NI) Limited
8660939	Lightsource SPV 92 Limited	10495349	Lightsource India Maharashtra 1 Holdings Limited
	Lightsource Renewable Energy India Holdings		
10717697	Limited	10495375	Lightsource India Maharashtra 1 Limited

The company enters into financial guarantee contracts with its subsidiaries and its external parties. The chance of recourse on these guarantees is remote in nature.

Notes to the financial statements (continued)

For the year ended 31 December 2020

27 Post balance sheet events

In early 2021 new variants of COVID-19 spread across the United Kingdom and other parts of the world which resulted in further national lockdowns and restricted movements between countries. The British Government responded with a mass vaccine roll-out which has seen majority of the population vaccinated to date. The Directors consider the emergence and spread of new COVID-19 variants to be a non-adjusting post balance sheet event. As part of the company's ongoing review of going concern, the directors have reviewed the company's position in detail, including the impact of new COVID-19 variants on the company's performance and no issues have been noted in respect of continued funding or the company's ability to continue as a going concern.

The Group entered into a new \$1.8bn revolving credit facility supported by a guarantee alongside a BPI for up to \$900m. The facility known as Titan can be utilised for development expenditure, acquisition costs, project equity and general corporate working purposes. Titan has an initial term of 3 years with the ability to extend up until December 2025.