

GRAVIS ONSHORE WIND 1 LIMITED

AUDITED

**ANNUAL REPORT
AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED
31 DECEMBER 2018**

GRAVIS ONSHORE WIND 1 LIMITED

COMPANY INFORMATION

Directors	Mr S C J Ellis (appointed 23 September 2017) Mr R N Kierans (appointed 23 September 2017) Mr N S Parker (appointed 23 September 2017) Mr R A J Wright (appointed 23 September 2017) Mrs S J Johnston (appointed 16 September 2019)
Registered number	10978663
Registered office	24 Savile Row London W1S 2ES
Independent auditors	Wellden Turnbull Limited Chartered Accounts & Statutory Auditors Munro House Portsmouth Road Cobham Surrey KT11 1PP

GRAVIS ONSHORE WIND 1 LIMITED

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GRAVIS ONSHORE WIND 1 LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

Introduction

The directors present their Strategic report for the Company for the period ended 31 December 2018.

Business review

The Company was incorporated on 23 September 2017 and began trading on 14 November 2017.

During the period the principal activity of the Company was the provision of intermediary finance.

On 1 December 2017 the Company acquired a 100% investment in Danu Holding Limited. As part of this transaction the Company also acquired deep discounted loan notes issued by Danu Holding Limited. This acquisition was financed via loan notes issued to Gravis Asset Holdings Limited, the Company's parent undertaking.

The Company's turnover during the period amounted to £1,535,917 with a loss after taxation of £493,896.

Principal risks and uncertainties

The principal risk is liquidity risk. The Company must be in a position to meet its fixed interest, debt repayments and overheads from the income received from its debtor.

The debtor has been rigorously assessed to ensure that they will be able to facilitate the Company meeting its liabilities as they fall due. The debtor generates its income under long term infrastructure contracts from the generation of renewable energy.

Financial key performance indicators

The key financial indicator for the Company is cash flow, which is monitored and managed on a regular basis to ensure that liabilities as a whole can be met as they fall due.

Other key performance indicators

The directors do not consider that there are any other key performance indicators.

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

Mrs S J Johnston

Director

Date: 16 September 2019

GRAVIS ONSHORE WIND 1 LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the period ended 31 December 2018.

Directors' responsibilities statement

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

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

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

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

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

Results and dividends

The loss for the period, after taxation, amounted to £493,896.

No dividends were declared during the period.

The directors who served during the period were:

Mr S C J Ellis (appointed 23 September 2017)
Mr R N Kierans (appointed 23 September 2017)
Mr N S Parker (appointed 23 September 2017)
Mr R A J Wright (appointed 23 September 2017)

Future developments

The directors do not anticipate any changes in the level or nature of the Company's business in the near future. The Company will continue to identify new areas of market opportunity or sectors of interest across the infrastructure financing universe.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

GRAVIS ONSHORE WIND 1 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Wellden Turnbull Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Mrs S J Johnston

Director

Date: 16 September 2019

GRAVIS ONSHORE WIND 1 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAVIS ONSHORE WIND 1 LIMITED

Opinion

We have audited the financial statements of Gravis Onshore Wind 1 Limited (the 'Company') for the period ended 31 December 2018, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAVIS ONSHORE WIND 1 LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 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.

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAVIS ONSHORE WIND 1 LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Nelligan ACA (Senior statutory auditor)

for and on behalf of

Wellden Turnbull Limited

Chartered Accounts

Statutory Auditors

Munro House

Portsmouth Road

Cobham

Surrey

KT11 1PP

Date: 16 September 2019

GRAVIS ONSHORE WIND 1 LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Note	2018 £000
Turnover	4	1,536
Cost of sales		(2,029)
Gross loss		<u>(493)</u>
Administrative expenses		(1)
Operating loss		<u>(494)</u>
Tax on loss	7	-
Loss after tax		<u><u>(494)</u></u>
Loss for the period		<u>(494)</u>
Retained earnings at the end of the period		<u><u>(494)</u></u>

The notes on pages 9 to 14 form part of these financial statements.

GRAVIS ONSHORE WIND 1 LIMITED
REGISTERED NUMBER: 10978663

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000
Fixed assets		
Investments	8	15,229
Current assets		
Debtors	9	14,373
Creditors: amounts falling due within one year	10	(30,095)
Net current liabilities		(15,722)
Total assets less current liabilities		(493)
Net liabilities		(493)
Capital and reserves		
Called up share capital	11	1
Profit and loss account	12	(494)
		(493)

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

Mrs S J Johnston
Director

Date: 16 September 2019

The notes on pages 9 to 14 form part of these financial statements.

GRAVIS ONSHORE WIND 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1. General information

Gravis Onshore Wind 1 Limited is a private company, limited by shares, incorporated in England and Wales, registration number 10978663. The registered office is 24 Savile Row, London, W1S 2ES.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements are presented in sterling, which is the functional currency of the Company and rounded to the nearest £1,000.

The following principal accounting policies have been applied:

2.2 Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of FRS102. There were no material departures from that standard.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Gravis Asset Holdings Limited as at 31 December 2018 and these financial statements may be obtained from 24 Savile Row, London, W1S 2ES.

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Going concern

The Company is in a net liability position at the year end as a result of the loss made in the period. The Company is part of a wider financing structure, the underlying loans are structured to ensure that actual cash inflows from the bond debtor exceed the Company's cash outflows to service the loan creditor and overheads over the loan term. The directors are therefore satisfied that the Company can meet its liabilities as they fall due. Accordingly, the directors consider that the accounts should be prepared on a going concern basis.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue comprises income received from the unwinding of the Company's deep discounted loan notes receivable. The annual unwind is equivalent to a rate of return of 11% and is recognised when the contractual right to the loan notes is established.

2.7 Finance costs

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

2.8 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Estimates and judgements are continually evaluated and are based on historical experience, independent forecasts and other factors that are believed to be reasonable under the circumstances.

Loan interest calculations and the amortised cost calculations assume that all future capital and interest payments will be in accordance with the current loan agreements for the remaining loan term.

4. Turnover

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

	2018 £000
Income from deep discounted notes	<u>1,536</u>

All turnover arose within the United Kingdom.

GRAVIS ONSHORE WIND 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

5. Auditors' remuneration

2018
£000

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>7</u>
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The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

7. Taxation

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 19% as set out below:

	2018 £000
Loss on ordinary activities before tax	(494)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(94)
Effects of:	
Group relief	94
Total tax charge for the period	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

GRAVIS ONSHORE WIND 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

8. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
Additions	15,229
	<hr/>
At 31 December 2018	<u>15,229</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Danu Holding Limited	24 Savile Row, London, W1S 2ES	Ordinary	100 %

9. Debtors

	2018 £000
Due after more than one year	
Amounts owed by group undertakings	<u>14,373</u>

Amounts owed by group undertakings represent the current value of deep discounted loan notes acquired on 1 December 2017 as part of the share transfer agreement dated 14 November 2017 between P.E.S.Y GBP S.a.r.l & Partners SCA and the Company. The notes are accreting at a rate of return of 11% and are due for repayment on maturity in 2031.

There were no partial redemptions during the period. The final redemption value of the loan notes issued is £52,593,676 at maturity.

10. Creditors: Amounts falling due within one year

	2018 £000
Amounts owed to group undertakings	<u>30,095</u>

Amounts owed to group undertakings comprise loan notes accounted for at amortised cost. These loan notes are repayable on demand. Cost of sales is represented, in entirety, by interest payable on amounts owed to group undertakings.

The third party borrowings of the Company's subsidiary, Danu Holding Limited, are secured by a legal charge over all the investments of Gravis Onshore Wind 1 Limited, present and future.

GRAVIS ONSHORE WIND 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

11. Share capital

	2018 £000
Allotted, called up and fully paid	
1,000 Ordinary shares of £1.00 each	<u><u>1</u></u>
During the year the Company allotted and issued 1,000 Ordinary shares with a nominal value of £1.00 each. These shares were fully paid.	

12. Reserves

Profit and loss account

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

13. Related party transactions

The Company has taken advantage of Section 33 paragraph 1A not to disclose transactions with wholly owned group members.

14. Controlling party

The Company's immediate parent undertaking is Gravis Asset Holdings Limited. The consolidated financial statements of Gravis Asset Holdings Limited may be obtained from Companies House or from 24 Savile Row, London, W1S 2ES.

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