Registration number: 12762985

Kensington RG Ltd

Annual Report and Unaudited Financial Statements

for the Period from 23 July 2020 to 31 December 2020

THURSDAY

AB2FNCJ4

A06 21/04/2022 #191

COMPANIES HOUSE

Kensington RG Ltd

Contents

Kensington RG Ltd

Company Information

Directors

Stephen Fitzpatrick

Vincent Casey

Registered office

9 Pembridge Road, London, W11 3JY

Kensington RG Ltd

Directors' Report for the period from 23 July 2020 to 31 December 2020

The directors present their report and the audited financial statements for the period from 23 July 2020 to 31 December 2020.

Incorporation
The company was incorporated on 23 July 2020.

Directors of the company
The directors of the company who were in office during the period and up to the date of signing the financial statements were as follows:
Stephen Fitzpatrick (from inception)
Vincent Casey (from inception)

Strategic report exemption
The Company is claiming the small company exemption from preparing the Strategic Report in accordance with the Companies Act 2006.

Principal activity
The principal activity of the company is providing advisory services for renewable energy projects in developing markets.

Dividends
The directors do not propose a dividend for the period.

Financial risk management
Financial risk management objectives and policies have been established as discussed in note 13 "Financial risk management and impairment of financial assets".

Going concern
Whilst the Company made a loss for the period from 23 July 2020 to 31 December 2020, and has net liabilities, the financial statements have been prepared on a going concern basis as the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details are in note 3 of the financial statements.

Directors liabilities
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 period and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Statement of Directors' Responsibilities in respect of financial statements

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Approved by the Board on 20 April 2022 and signed on its behalf by:

....

Vincent Casey

Director

Income Statement

	Note	**2020 £ 000**
Revenue		11
Cost of sales		(120)
Gross Profit		(109)
Administrative expenses		(172)
Operating loss		(281)
Finance costs	4	(5)
Loss before tax		(286)
Income tax receipt	6	-
Loss for the period		(286)

The above results were derived from continuing operations.

There is no other comprehensive income other than the loss for the period.

The notes on pages 10 to 18 form an integral part of these financial statements.

Statement of Financial Position

	Note	2020 £ 000
Assets		
Current Assets		
Trade and other receivables	7	69
Cash and cash equivalents	8	93
Total assets		162
Current Liabilities		
Trade and other payables	10	(3)
Loans and borrowings	9	(445)
Total liabilities		(448)
Net liabilities		(286)
Equity		
Share capital	11	-
Accumulated losses		(286)
Total equity		(286)

For the period from 23 July 2020 to 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 18 were approved by the Board of Directors on 20 April 2022 and signed on its behalf by:

....

Vincent Casey

Director

The notes on pages 10 to 18 form an integral part of these financial statements.

Statement of Changes in Equity

	Share premium £ 000	Accumulated losses £ 000	Total equity £ 000
At 23 July 2020	-	-	-
Loss for the period	-	(286)	(286)
At 31 December 2020	-	(286)	(286)

The notes on pages 10 to 18 form an integral part of these financial statements.

Statement of Cash Flows

	Note	2020 £ 000
Loss for the period		(286)
		(286)
Working capital adjustments		
Increase in trade and other receivables	7	(69)
Increase in trade and other payables	10	3
Net cash flow generated from operating activities		(352)
Cash flows used in financing activities		
Increase in intercompany loan		445
Net (decrease)/increase in cash and cash equivalents		93
Cash and cash equivalents at 23 July		0
Cash and cash equivalents at 31 December		93

The notes on pages 10 to 18 form an integral part of these financial statements.

Notes to the Financial Statements

1 General information

The company is a private company limited by share capital incorporated and domiciled in United Kingdom.

The address of its registered office is:
9 Pembridge Road

London

W11 3JY

These financial statements were authorised for issue by the Board on 20 April 2022.

2 Critical accounting judgements and key sources of estimation uncertainty

The directors do not consider that there are any key estimates or judgements affecting the preparation of the financial statements.

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

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 period presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS'). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is the Company's functional and the Company's presentation currency.

Going concern

Whilst the Company made a loss for the period from 23 July 2020 to 31 December 2020, and has net liabilities, the financial statements have been prepared on a going concern basis.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued support of the ultimate parent company Imagination Industries Ltd. The directors have received confirmation that Imagination Industries Ltd intend to support the company for at least one year after these financial statements are signed.

3 Accounting policies (continued)

Changes in accounting policy

New standards, interpretations and amendments effective

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on the financial statements.

New standards, interpretations and amendments not yet effective

None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2020 and which have not been adopted early, are expected to have a material effect on the financial statements.

Finance income and costs policy

Financing expense comprises interest payable on loans and is recognised in profit or loss using the effective interest method. Financing income comprises interest receivable on funds invested and on loans to group undertakings.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Cash and cash equivalents

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

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

3 Accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds (net of transaction costs) and the amount due on redemption being recognized as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Share Capital

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

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

3 Accounting policies (continued)

Classification and measurement
Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:
- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:
- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVPTL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

If an equity investment is designated as FVTOCI, all gains and losses, except for dividend income, are recognised in other comprehensive income and are not subsequently included in the statement of income.

Financial assets at fair value through the profit or loss (FVTPL)
Financial assets not otherwise classified above are classified and measured as FVTPL.

3 Accounting policies (continued)

Financial liabilities at amortised cost
All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss
Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

Derecognition
Financial assets
The company derecognises a financial asset when;
- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the company is recognised as a separate asset or liability.

The company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When the company derecognises transferred financial assets in their entirety, but has continuing involvement in them then the entity should disclose for each type of continuing involvement at the reporting date:

(a) The carrying amount of the assets and liabilities that are recognised in the entity's statement of financial position and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised.

(b) The fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets;

(c) The amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined

(d) The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets.

Financial liabilities
The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

3 Accounting policies (continued)

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

Financial liabilities

If the terms of a financial liabilities are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

Impairment of financial assets

Measurement of Expected Credit Losses

The company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVPTL, namely:

- Financial assets that are debt instruments
- Accounts and other receivables
- Financial guarantee contracts issued; and
- Loan commitments issued.

The company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the company recognises the lifetime ECL.

3 Accounting policies (continued)

The company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

Evidence that the financial asset is credit-impaired include the following;
- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the company, or economic conditions that correlate with defaults in the company.

For trade receivables, the company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Accounting estimates and assumptions
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of certain financial assets, liabilities, income and expenses.

The use of estimates and assumptions is principally limited to the determination of provisions for impairment and the valuation of financial instruments as explained in more detail below:

3 Accounting policies (continued)

Provisions for impairment
In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

Fair value of financial assets and liabilities
Where the fair value of financial assets and liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is derived from observable markets where available, but where this is not feasible, a degree of judgement is required in determining assumptions used in the models. Changes in assumptions used in the models could affect the reported fair value of financial assets and liabilities.

4 Finance costs

	Period from 23 July 2020 to 31 December 2020 £ 000
Intercompany interest expense	5

5 Directors' remuneration

There were two Directors during the period. The Directors received no remuneration in their capacity as Directors of Kensington RG Ltd.

6 Income tax

The tax charge for the period is higher the standard rate of corporation tax in the UK (higher than the standard rate of corporation tax in the UK) of 19%.

The differences are reconciled below:

	2020 £ 000
Loss before tax	(286)
Corporation tax at standard rate	54
Amounts for which no deferred tax asset has been recognised	(54)
Total tax credit	-

The main rate of UK corporation tax for the years to 31 March 2020 and 31 March 2021 was 19%.

At the March Budget 2021, the UK government announced that the corporation tax main rate (for all profits except ring fenced profits) for the years starting 1 April 2023 be 25%.

7 Trade and other receivables

	2020 £ 000
Accounts receivable	14
VAT receivable	55
Trade and other receivables	69

The fair value of those trade and other receivables classified as financial instrument loans and receivables are disclosed in note 12 "Financial instruments".

The company's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in note 13 "Financial risk management and impairment of financial assets".

8 Cash and cash equivalents

	2020 £ 000
Cash at bank	93

9 Loans and borrowings

	2020 £ 000
Current loans and borrowings	
Amounts owed to group	445

The loans and borrowings classified as financial instruments are disclosed in note 12 "Financial instruments".

The company's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in note 13 "Financial risk management and impairment of financial assets".

10 Trade and other payables

	2020 £ 000
Trade payables	3
	3

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in note 13 "Financial risk management and impairment of financial assets".

11 Share capital

Allotted, called up and fully paid shares

	2020	
	No.	**£**
Ordinary share capital of £1 each	1	1

12 Financial Instruments

Financial assets

Loans and receivables

	Carrying value 2020 £ 000	Fair value 2020 £ 000
Cash and cash equivalents	93	93
Accounts receivable	14	14
	107	107

Valuation methods and assumptions

Loans and receivables:

The fair value of loans and receivable is based on the expectation of recovery of balances.

Financial liabilities

Financial liabilities at amortised cost

	Carrying value 2020 £ 000	Fair value 2020 £ 000
Trade and other payables	3	3
Amounts owed to group	445	445
	448	448

Valuation methods and assumptions

Financial liabilities at amortised cost

The fair value of the trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material. Due to the short maturities, the fair value of the trade and other payables approximates to their book value.

13 Financial risk management and impairment of financial assets

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Risk management is carried out by the Risk management committee, under policies approved by the Directors and the Group management team.

Credit risk and impairment

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from security deposits and prepayments to suppliers and distributors.

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £107,000, being the total of the carrying amount of financial assets, excluding equity investments, which include trade receivables and cash. All the receivables are with parties in the UK.

The allowance account for trade receivables is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly. There were no transactions written off in the period. The Company provides for impairment losses based on estimated irrecoverable amounts determined by reference to specific circumstances and the experience of management of debtor default.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Imagination Industries Group management team uses short and long-term cash flow forecasts to manage liquidity risk. Forecasts are supplemented by sensitivity analysis which is used to assess funding adequacy for at least a 12 month period.

Maturity analysis

	Within 30 days	**Within 1 year**	**Total**
2020	**£ 000**	**£ 000**	**£ 000**
Trade and other payables	3	-	3
Other borrowings	-	445	445
	3	445	448

Capital risk management

Capital components

Capital risk is managed to ensure the Company continues as a going concern and grows in a sustainable manner.

The Company considers its cashflow to be the most important component of capital management. This is managed through loans from its parent company. A 3 year cashflow model is maintained to manage this element of capital.

14 Related party transactions

Summary of transactions with parent entities

During the period, the Company received loan funds from Imagination Industries Limited (immediate parent) of £440,000. The loan incurred an interest charge at 7% of £5,000. At 31 December 2020, the total balance outstanding was £445,000.