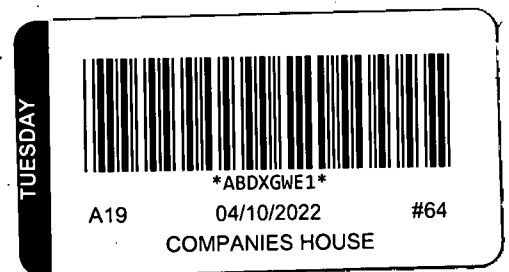


**REGISTERED NUMBER: 08606829 (England and Wales)**

Report of the Directors and  
Financial Statements for the Year Ended 31st December 2021  
for  
Abbots Ripton Solar Energy Limited



Abbots Ripton Solar Energy Limited

Contents of the Financial Statements  
for the Year Ended 31st December 2021

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of income and retained earnings	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

---

Abbots Ripton Solar Energy Limited

Company Information  
for the Year Ended 31st December 2021

**DIRECTORS:**

C P Gaydon  
L G Halstead  
T J Rosser

**REGISTERED OFFICE:**

6th Floor 33 Holborn  
London  
England  
EC1N 2HT

**REGISTERED NUMBER:**

08606829 (England and Wales)

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory  
Independent Auditors  
Level 5 and 6  
Central Square South  
Orchard Street  
Newcastle Upon Tyne  
NE1 3AZ

**SECRETARY:**

Octopus Company Secretarial Services Ltd  
33 Holborn  
London  
England  
EC1N 2HT

Abbots Ripton Solar Energy Limited

Report of the Directors  
for the Year Ended 31st December 2021

The directors present their report and the audited financial statements of Abbots Ripton Solar Energy Limited (the company) for the year ended 31st December 2021.

**PRINCIPAL ACTIVITIES**

The company's principal activity is the operation of solar plants and the generation of solar power.

**GOING CONCERN**

As at 31st December 2021, the company had net current liabilities of £15,076,683, however the directors have obtained confirmation that a notice of repayment on the unsecured loan will not be made within 12 months of the signing of these financial statements. The directors have prepared forecasts and reviewed capital requirements for the 12 months from the date of approving these financial statements, which indicate the business can continue trade for at least 12 months from the date of approval of these financial statements.

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

**DIRECTORS**

The following Directors held office during the year and up to the date of signing the financial statements were:

T J Rosser - 17th April 2019  
C P Gaydon - 19th March 2020  
L G Halstead - 19th March 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 prepared the 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 company and of the profit or loss of the 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;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

**Directors' confirmations**

- In the case of each director in office at the date the directors' report is approved:
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Abbots Ripton Solar Energy Limited

Report of the Directors  
for the Year Ended 31st December 2021

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**SMALL COMPANY EXEMPTION**

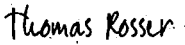
In preparing this report, the directors have taken advantage of the small companies' exemptions provided by Section 415A of the companies Act 2006.

The Directors have also taken advantage of the small company exemptions provided by Section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

**INDEPENDENT AUDITORS**

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
CSB520954968424...

.....  
T J Rosser - Director

Date: 29 September 2022

Abbots Ripton Solar Energy Limited

# Independent Auditors' report to the members of Abbots Ripton Solar Energy Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Abbots Ripton Solar Energy Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its loss and 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 Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31st December 2021; the Income Statement, the Statement of Changes in Equity and the Statement of Cash Flows 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 company 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 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 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.

Abbots Ripton Solar Energy Limited

# Independent Auditors' report to the members of Abbots Ripton Solar Energy Limited (continued)

## Reporting on other information (continued)

With respect to the Report of the Directors, 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.

### Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2021 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

## 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, 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 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.

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and 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 of inappropriate journal entries to overstate profit. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of board minutes;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulation;
- 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.

Abbots Ripton Solar Energy Limited

# **Independent Auditors' report to the members of Abbots Ripton Solar Energy Limited (continued)**

## **Responsibilities for the financial statements and the audit (continued)**

### **Auditors' responsibilities for the audit of the financial statements (continued)**

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 Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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**

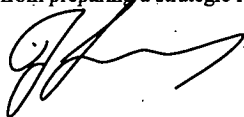
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. 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  
Level 5 and 6  
Independent Auditors  
Central Square South  
Orchard Street  
Newcastle Upon Tyne  
NE1 3AZ

Date: 29 September 2022

Abbots Ripton Solar Energy LimitedStatement of income and retained earnings  
for the Year Ended 31st December 2021

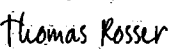
	Note	Year Ended 31/12/2021 £	Year Ended 31/12/2020 £
<b>TURNOVER</b>	3	2,756,536	2,628,943
Cost of sales		(1,486,226)	(1,517,119)
<b>GROSS PROFIT</b>		1,270,310	1,111,824
Administrative expenses		(56,532)	(42,039)
Other operating income		162,485	-
<b>OPERATING PROFIT</b>	4	1,376,263	1,069,785
Interest payable and similar expenses	6	(839,518)	(1,265,983)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		536,745	(196,198)
Tax on profit/(loss)	7	(914,388)	(77,087)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(377,643)	(273,285)
Accumulated losses at the beginning of the year		(5,870,426)	(5,597,141)
<b>ACCUMULATED LOSSES AT THE END OF THE YEAR</b>		(6,248,069)	(5,870,426)

The notes form part of these financial statements

Abbots Ripton Solar Energy Limited (Registered number: 08606829)Statement of Financial PositionAs at 31st December 2021

	Note	31/12/2021 £	31/12/2020 £
<b>FIXED ASSETS</b>			
Tangible assets	8	18,227,295	17,270,117
<b>CURRENT ASSETS</b>			
Debtors	9	1,378,856	764,117
Cash at bank and in hand		<u>316,300</u>	<u>498,083</u>
		1,695,156	1,262,200
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>(16,771,839)</u>	<u>(17,459,724)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(15,076,683)</u>	<u>(16,197,524)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,150,612	1,072,593
<b>PROVISIONS FOR LIABILITIES</b>	11	<u>(3,308,615)</u>	<u>(852,953)</u>
<b>NET LIABILITIES</b>		<u>(158,003)</u>	<u>219,640</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	6,090,066	6,090,066
Accumulated losses		<u>(6,248,069)</u>	<u>(5,870,426)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>(158,003)</u>	<u>219,640</u>

The financial statements on pages 7 to 19 were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by:

DocuSigned by:  
  
 CSB520954968424...

T J Rosser - Director

The notes form part of these financial statements.

Abbots Ripton Solar Energy LimitedStatement of Changes in Equity  
for the Year Ended 31st December 2021

	Called up share capital £	Accumulated losses £	Total equity £
<b>Balance at 1st January 2020</b>	100	(5,597,141)	(5,597,041)
<b>Changes in equity</b>			
Issue of share capital	6,089,966	-	6,089,966
Total comprehensive loss	-	(273,285)	(273,285)
<b>Balance at 31st December 2020</b>	<u>6,090,066</u>	<u>(5,870,426)</u>	<u>219,640</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(377,643)	(377,643)
<b>Balance at 31st December 2021</b>	<u><u>6,090,066</u></u>	<u><u>(6,248,069)</u></u>	<u><u>(158,003)</u></u>

The notes form part of these financial statements

Abbots Ripton Solar Energy LimitedStatement of Cash Flows  
for the Year Ended 31st December 2021

	Note	Year Ended 31/12/2021 £	Year Ended 31/12/2020 £
<b>Net Cash flows from operating activities</b>			
Cash generated from/(used in) operations	13	1,669,678	(5,433,097)
Interest paid		<u>(807,412)</u>	<u>(895,562)</u>
Net cash generated from/(used in) operating activities		<u>862,266</u>	<u>(6,328,659)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(325,661)</u>	<u>(2,460)</u>
Net cash used in investing activities		<u>(325,661)</u>	<u>(2,460)</u>
<b>Cash flows from financing activities</b>			
Share issues		-	6,089,966
Repayments of group undertakings		(865,388)	(7,412,920)
Receipt of amounts from group undertakings		<u>147,000</u>	<u>7,278,799</u>
Net cash (used in)/generated from financing activities		<u>(718,388)</u>	<u>5,955,845</u>
<b>Decrease in cash in the year</b>			
Cash and cash equivalents at the start of year	13	<u>498,083</u>	<u>873,357</u>
Cash and cash equivalents at the end of year	13	<u><u>316,300</u></u>	<u><u>498,083</u></u>

The notes form part of these financial statements

Abbots Ripton Solar Energy Limited

Notes to the Financial Statements  
for the Year Ended 31st December 2021

1. **GENERAL INFORMATION**

Abbots Ripton Solar Energy Limited is a private company, limited by shares, incorporated in and domiciled in the United Kingdom, registration number 08606829. The registered office is 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The company's principal activity is the operation of solar plants and the generation of solar power.

2. **ACCOUNTING POLICIES**

**2.1 Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention 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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The financial statements are prepared in Sterling which is the functional currency of all entities in the group and are rounded to the nearest £. All amounts in the income statement relate to continuing operations. The company has no items of other comprehensive income for the current year or preceding financial period. Therefore no separate statement of other comprehensive income has been presented.

The Company has not made any critical judgements in applying the entity's accounting policies with the exception of the contingent liability in relation to the decommissioning provision. See note 14 for details.

The company has not made any critical accounting estimates and assumptions in applying its accounting policies.

The company has applied its accounting policies consistently.

The following principal accounting policies have been applied:

**2.2 Exemptions for qualifying entities under FRS 102**

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

The Company has taken advantage of the following exemptions:

- from disclosing the Company's key management personnel compensation as required by FRS 102 para 33.7.
- from disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31st December 2021 it was a wholly owned subsidiary.

**2.3 Going concern**

As at 31st December 2021, the company had net current liabilities of £15,076,683, however the directors have obtained confirmation that a notice of repayment on the unsecured loan will not be made within 12 months of the signing of these financial statements. The directors have prepared forecasts and reviewed capital requirements for the 12 months from the date of approving these financial statements, which indicate the business can continue trade for at least 12 months from the date of approval of these financial statements.

The directors have performed an assessment of the projected cashflows for the 12 months from the date of approving these financial Statements and consider that there is no reasonable further reduction in revenue pricing which could compromise the ability of the Company to meet its obligations as they fall due. As such these financial statements have been prepared on a going concern basis.

**2.4 Financial risk management**

The Company's activities expose it to a variety of financial risks; including interest rate risk, power price risk and credit risk. The Board of Directors has overall responsibility for overseeing the management of financial risks. Each risk and its management are summarised below.

**(i) Interest rate risk**

The Company's interest rate risk on interest bearing financial assets is limited to interest earned on cash and loan investments into project companies, which yield interest at a fixed rate. The portfolio's cashflows are continually monitored and reforecast, both over the near future and the long-term, to analyse the cash flow returns from investments.

Abbots Ripton Solar Energy Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2021

2. ACCOUNTING POLICIES - continued

2.4 Financial risk management (continued)

(ii) Power Price risk

The wholesale market price of electricity and gas is volatile and is affected by a variety of factors, including market demand for electricity and gas, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's renewable energy projects benefit from fixed prices, others have revenue which is in part based on wholesale electricity and gas prices. The Investment Manager continually monitors energy price forecast and aims to put in place mitigating strategies, such as hedging arrangements or fixed PPA contracts to reduce the exposure of the Company to this risk.

(iii) Credit risks

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfil its contractual obligations. The Company's primary direct counterparties are its wholly owned subsidiaries in which it makes investments, which are reviewed and monitored through short to medium term cash flow forecasts. Underlying the cash flow forecasts are project company cash flow models which are regularly updated for the purposes of demonstrating the projects' ability to pay interest and dividends based on a set of detailed assumptions. The Company is also subject to credit risk on its trade and other receivables and cash and cash equivalents. The Company's cash and cash equivalents are held with well-known, investment grade banks.

2.5 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.

At each period 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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings within administrative expenses.

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 is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is derived from the electricity generated by solar farms and is recognised on an accruals basis in the period in which it is generated.

2.7 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the period of the lease
Plant and machinery	- 4% and 10% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Abbots Ripton Solar Energy Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2021

2. **ACCOUNTING POLICIES - continued**

**2.7 Tangible assets (continued)**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**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 statement of income and retained earnings, 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 the statement of income and retained earnings.

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 statement of income and retained earnings.

**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 company. 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 statement of income and retained earnings 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 Statement of comprehensive income on a straight line basis over the lease term.

**2.11 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, 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 the 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.

Abbots Ripton Solar Energy LimitedNotes to the Financial Statements - continued  
for the Year Ended 31st December 2021**2. ACCOUNTING POLICIES – continued****2.12 Financial instruments**

The Company applies section 11 and 12 of FRS102 with respect to the recognition and measurement of 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 statement of income and retained earnings. 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.

**2.13 Related party transactions**

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

**2.14 Contingent liabilities**

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

**2.15 Share Capital**

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

**3. TURNOVER**

The total turnover of the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**4. OPERATING PROFIT**

	Year Ended 31/12/2021	Year Ended 31/12/2020
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	7,613	7,250
Operating lease rental payments	<u>170,195</u>	<u>170,033</u>

**5. EMPLOYEES AND DIRECTORS' REMUNERATION**

The Company had no employees during the year. The Directors did not receive or waive remuneration (2020 - nil).

Abbots Ripton Solar Energy LimitedNotes to the Financial Statements - continued  
for the Year Ended 31st December 20216. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year Ended 31/12/2021 £	Year Ended 31/12/2020 £
Interest payable	<u>839,518</u>	<u>1,265,983</u>

7. **TAX ON PROFIT/(LOSS)**

	Year Ended 31/12/2021 £	Year Ended 31/12/2020 £
<b>(a) Analysis of charge in the period</b>		
Current tax		
UK corporation tax on profit for the year	<u>39,936</u>	<u>-</u>
Deferred Tax		
Origination and reversal of timing differences	-	(14,191)
Adjustments in respect of prior periods	395,972	-
Effect of tax rate change on opening balance	-	91,278
Current year charge	<u>478,480</u>	<u>-</u>
Total deferred tax (note 11)	<u>874,452</u>	<u>91,278</u>
Tax on Profit/(loss)	<u>914,388</u>	<u>91,278</u>

**(b) Factors affecting total tax charge for the period:**

The tax assessed for the year is the same as (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020:19%).

	Year Ended 31/12/2021 £	Year Ended 31/12/2020 £
<b>Reconciliation of tax charge</b>		
Profit/(loss) before taxation	536,745	(196,198)
Tax on profit/(loss) before taxation at standard UK tax rate of 19.00% (2020: 19.00%)	101,982	(37,278)
Effects of:		
Expenses not deductible for tax purposes	-	23,087
Non qualifying fixed assets	1,856	-
Remeasurement of deferred tax for changes in tax rates	414,577	91,278
Adjustment from previous periods	<u>395,973</u>	<u>-</u>
Tax charge for the period	<u>914,388</u>	<u>77,087</u>

Abbots Ripton Solar Energy LimitedNotes to the Financial Statements - continued  
for the Year Ended 31st December 20217. **TAX ON PROFIT/(LOSS) - continued**

Factors that may affect the tax charge

In the Spring budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. Therefore deferred taxes at the balance sheet date continue to be measured as a tax rate of 19%.

In the Spring budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would remain at 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.

There are no other factors expected to materially affect the tax charge in future years.

8. **TANGIBLE ASSETS**

	Land and buildings £	Plant and machinery £	Decommissioning Asset £	Totals £
<b>COST</b>				
At 1st January 2021	23,261	23,593,602	-	23,616,863
Additions	147,709	177,952	1,581,210	1,906,871
At 31st December 2021	170,970	23,771,554	1,581,210	25,523,734
<b>ACCUMULATED DEPRECIATION</b>				
At 1st January 2021	6,203	6,340,543	-	6,346,746
Charge for year	3,644	946,049	-	949,693
At 31st December 2021	9,847	7,286,592	-	7,296,439
<b>NET BOOK VALUE</b>				
At 31st December 2021	161,123	16,484,962	1,581,210	18,227,295
At 31st December 2020	17,058	17,253,059	-	17,270,117

9. **DEBTORS**

	31/12/2021 £	31/12/2020 £
Trade debtors	379,050	38,915
Other debtors	17,074	98
Prepayments and accrued income	982,732	725,104
	1,378,856	764,117

Abbots Ripton Solar Energy LimitedNotes to the Financial Statements - continued  
for the Year Ended 31st December 2021**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/2021	31/12/2020
	£	£
Trade creditors	20,780	5,471
Amounts owed to group undertakings	16,261,902	16,948,184
Other creditors	454,894	442,800
Accruals and deferred income	34,263	63,269
	<u>16,771,839</u>	<u>17,459,724</u>

Included within amounts owed to group undertakings are unsecured loans of £16,261,902 payable to the company's immediate parent company, ORIT UK Acquisitions Limited. This loan bears interest at 5% and the loan is repayable upon receipt of a notice of repayment. The directors have obtained confirmation that a notice of repayment will not be made within 12 months of signing these financial statements.

**11. PROVISIONS FOR LIABILITIES**

	31/12/2021	31/12/2020
	£	£
Decommissioning provision	1,581,210	-
Deferred tax liabilities	1,727,405	852,953
	<u>3,308,615</u>	<u>852,953</u>

Movement on provisions apart from deferred tax liabilities

	Decommissioning provision £
At 1st January 2021	-
Additional provisions for the year	<u>1,581,210</u>
At 31st December 2021	<u><u>1,581,210</u></u>

**12. CALLED UP SHARE CAPITAL**

	31/12/2021	31/12/2020
	£	£
Allotted, called up and fully paid		
6,090,066 (2020: 6,090,066) Ordinary share of £1	<u>6,090,066</u>	<u>6,090,066</u>

Abbots Ripton Solar Energy LimitedNotes to the Financial Statements - continued  
for the Year Ended 31st December 2021

## 13. NOTES TO THE STATEMENT OF CASH FLOWS

## 13.1 Reconciliation of profit/(loss) before taxation to cash generation from operations

	Year Ended 31/12/2021	Year Ended 31/12/2020
	£	£
Profit/(loss) before taxation	536,745	(196,198)
Depreciation charges	949,693	945,086
Finance costs	839,518	1,265,983
	<u>2,325,956</u>	<u>2,014,871</u>
Increase in trade and other debtors	(614,739)	(25,575)
Decrease in trade and other creditors	<u>(41,539)</u>	<u>(7,422,393)</u>
<b>Cash generated from/(used in) operations</b>	<b><u>1,669,678</u></b>	<b><u>(5,433,097)</u></b>

## 13.2 Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

## Year ended 31st December 2021

	31/12/2021	01/01/2021
	£	£
Cash and cash equivalents	<u>316,300</u>	<u>498,083</u>

## Period ended 31st December 2020

	31/12/2020	01/01/2020
	£	£
Cash and cash equivalents	<u>498,083</u>	<u>873,357</u>

## 13.3 Analysis of Changes in net debt

	At 1/1/21	Cash flow	At 31/12/21
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>498,083</u>	<u>(181,783)</u>	<u>316,300</u>
	<u>498,083</u>	<u>(181,783)</u>	<u>316,300</u>
<b>Debt</b>			
Debts falling due within 1 year	<u>(16,948,184)</u>	<u>686,282</u>	<u>(16,261,902)</u>
	<u>(16,948,184)</u>	<u>686,282</u>	<u>(16,261,902)</u>
<b>Total</b>	<b><u>(16,450,101)</u></b>	<b><u>504,499</u></b>	<b><u>(15,945,602)</u></b>

Included within cash flow on debt is non-cash movement relating to accrued interest.

Abbots Ripton Solar Energy LimitedNotes to the Financial Statements - continued  
for the Year Ended 31st December 2021**14. 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 the balance sheet date, the Directors reassessed the accounting judgement and recognised a £1,581,210 (2020: £0) decommissioning provision for this solar site, where it was determined that it is unlikely that the lessor will take title of the assets for either continued use or to realise value through selling the assets; as such the Directors believe that an outflow is probable to settle this restoration obligation.

**15. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31st December 2021 it was a wholly owned subsidiary.

**16. OPERATING LEASE COMMITMENTS**

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

	31/12/2021	31/12/2020
	£	£
No later than one year	182,257	170,195
Later than one year and no later than five years	729,028	680,780
Later than five years	<u>2,278,209</u>	<u>2,297,637</u>
Future minimum lease payments	<u>3,189,494</u>	<u>3,148,612</u>

**17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate parent undertaking is ORIT UK Acquisitions Limited, an investment company registered in England and Wales and does not prepare consolidated financial statements. The financial statements are available from the registered office at 33 Holborn, London, England, EC1N 2HT

The ultimate parent undertaking and controlling party is Octopus Renewables Infrastructure Trust plc, a public limited company listed on the London Stock Exchange. It is a closed end investment company incorporated in England and Wales that is focused on building and operating a diversified portfolio of Renewable Energy Assets. Octopus Renewables Infrastructure Trust plc does not prepare consolidated financial statements.