Company Registration No. 08333324

Knight Renewables UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

Knight Renewables UK Limited

Annual report and financial statements for the year ended 31 December 2019

Contents

Knight Renewables UK Limited

Officers and professional advisers

Directors
R Kraemer
J Jones

Registered office
C/O Reg White Limited
Beaufort Court
Egg Farm Lane
Kings Langley
Hertfordshire
WD4 8LR
United Kingdom

Independent auditor
Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow
G1 3BX
United Kingdom

Knight Renewables UK Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report, for the year ended 31 December 2019.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

These financial statements represent the first year that they have been prepared under a new accounting standard, further information on the basis of preparation of these financial statements and the going concern assumption can be found in note 1.

Principal activity
The principal activity of the Company in the year under review was to act as a holding company for subsidiary companies that own and operate wind farms and this is expected to continue to be the principal activity in the future.

Impact of COVID-19
Since the start of 2020 there has been an outbreak of COVID-19 (coronavirus) which has led to uncertainty in the market. The directors continue to follow advice given by the World Health Organisation and Public Health England to ensure that best practice measures are followed. To date there has not been a material impact on the company's operations. The directors do not believe that there is a significant risk to the business as a result of the COVID-19 pandemic but will continue to monitor any future developments.

Results and dividends
On 1 February 2019, the Company was acquired by Equitix Knight Finco Limited. On the same date, new directors were appointed and existing directors resigned and it was resolved, with immediate effect, that the Company repay its borrowing facilities and replace them with a new loan from Equitix Knight Finco Limited carrying an interest rate of 3.0245%. No other significant changes have occured through the year.

The loss for the year after taxation was £697,209 (2018: profit of £1,426,702).

During the year, the directors approved and paid interim dividends of £nil (2018: £nil). There are no plans to pay a final dividend.

Events since the end of the year
Information relating to events since the end of the year is given in the notes to the financial statements.

Directors
The directors, who served throughout the period unless otherwise stated, were as follows:
P Raftery (resigned on 1 February 2019)
S Tetot (resigned on 1 February 2019)
J Smith (appointed on 1 February 2019 and resigned on 27 September 2019)
A Bhuwania (appointed on 1 February 2019 and resigned on 5 August 2020)
R Kraemer (appointed on 2 April 2019)
J Jones (appointed on 5 August 2020)

Going concern
The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Knight Renewables UK Limited

Directors' report (continued)

Going concern (continued)
The Company's principal activity is to serve as a holding company for subsidiary companies and so the impact of the COVID-19 pandemic on those subsidiaries and their operations and going concern has been assessed by the directors. To date, there has not been a material impact felt in the subsidiaries. The directors expect the subsidiaries will be affected by a negative impact on power prices in the short term due to a reduction in demand for electricity and lower commodities prices, however this is not expected to be significant enough to cause any going concern issues due to there being no material impact on the fixed prices per MWh associated with the Renewable Obligation Certificate (ROC) buyout revenue stream and as such the carrying value stated in the financial statements has been deemed appropriate. The directors will continue to closely monitor the situation and to take appropriate action if deemed necessary.

Further details regarding the adoption of the going concern basis can be found in note 1 of the Accounting Policies.

Risks and uncertainties
During the year the Company used derivative financial instruments, which included interest rate swaps to hedge its risks associated with interest rate fluctuations. At the date of approval of these financial statements, the loan and associated interest rate swap had been settled and replaced with an intercompany loan bearing a fixed interest of 3.0245% and as such going forward the Company does not require the use of derivative financial instruments.

The outbreak of COVID-19 is a very significant humanitarian and economic event facing many businesses. It has become clear that this will result in a significant economic slowdown, if not recession, in the months ahead. However, the directors believe that the impact of COVID-19 to the Company will be a temporary disruption and will ultimately pass. In the meantime, the business model has been stress tested to understand what the impact would be, with further details provided in the Going concern section of this annual report.

Directors' indemnities
The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors
The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

DocuSigned by:
Roger Kraemer
Roger Kraemer - Director
23 November 2020

Knight Renewables UK Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Knight Renewables UK Limited

Independent auditor's report to the members of Knight Renewables UK Limited

Opinion

In our opinion the financial statements of Knight Renewables UK Limited (the 'company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of comprehensive income;
- the Balance sheet;
- the Statement of changes in equity;
- the related notes 1 to 11.

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).

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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Knight Renewables UK Limited (continued)

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 auditor's 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.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page four, 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 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditor's report to the members of Knight Renewables UK Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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

David Mitchell

David Mitchell (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Glasgow
UK
24 November 2020

Knight Renewables UK Limited

Statement of comprehensive income
For the year ended 31 December 2019

	Notes	2019	Restated Note 11 2018
		£	£
Administrative expenses		(1,570)	(15,772)
Operating loss	3	(1,570)	(15,772)
Net finance (charge) / income		(935,572)	1,406,032
(Loss) / profit before taxation		(937,142)	1,390,260
Taxation		239,933	36,442
(Loss) / profit after taxation		(697,209)	1,426,702
Other comprehensive income		-	-
Total comprehensive (loss) / income for the financial year		(697,209)	1,426,702

All items in the above statement derive from continuing operations.

The notes on pages 11 to 20 form part of these financial statements

Knight Renewables UK Limited

Balance sheet
As at 31 December 2019

	Notes	2019	Restated Note 11 2018
		£	£
Fixed assets			
Investment in subsidiaries	5	30,607,667	30,607,667
		30,607,667	30,607,667
Current assets			
Debtors	6	22,879,499	23,176,795
Cash at bank and in hand		-	95
		22,879,499	23,176,890
Creditors: amounts falling due within one year	7	(32,186,165)	(31,786,347)
Net current (liabilities) / assets		(9,306,666)	(8,609,457)
Total assets less curent liabilities		21,301,001	21,998,210
Net assets		21,301,001	21,998,210
Capital and reserves			
Called-up share capital		100	100
Profit and loss account		21,300,901	21,998,110
Shareholder's funds		21,301,001	21,998,210

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Knight Renewables UK Limited, registered number 08333324 were approved by the board of directors and authorised for issue on 23 November 2020.

Signed on behalf of the board

DocuSigned by:
Roger Kraemer
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Roger Kraemer - Director

Knight Renewables UK Limited

Statements of changes in equity
As at 31 December 2019

	Called-up share capital £	Profit and loss account £	Total £
As at 1 January 2018 as previously stated	100	20,571,408	20,571,508
Changes on transition to FRS 102 (note 11)	-	-	-
As at 1 January 2018 as restated	100	20,571,408	20,571,508
Profit for the financial year	-	1,426,702	1,426,702
Total comprehensive income	-	1,426,702	1,426,702
As at 31 December 2018 as restated (note 11)	100	21,998,110	21,998,210
Loss for the financial year	-	(697,209)	(697,209)
Total comprehensive income	-	(697,209)	(697,209)
As at 31 December 2019	100	21,300,901	21,301,001

The notes on pages 11 to 20 form part of these financial statements

Knight Renewables UK Limited

Notes to the financial statements
For the year ended 31 December 2019

1. Accounting policies

General information
Knight Renewables UK Limited is a private company, limited by shares and registered in the United Kingdom, in England and Wales, under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and their principal activities are set out in the Directors' report on page 2.

Basis of preparation
The financial statements have been prepared in accordance with the applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1 A small entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006 The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior financial period.

This is the first year in which the financial statements have been prepared under FRS 102, having previously been prepared under International Financial Reporting Standards (collectively "IFRS") as adopted by the European Union (EU). The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. Refer to note 11 for an explanation of the transition.

Section 1 A for small companies has been applied on the basis that the entity meets the criteria set out within the Companies Act. The directors believe the entity is part of an eligible group on the basis that the ultimate controlling party is not listed on any market.

The Company has taken advantage of the exemptions available to small entities under section 1A in relation to presentation of a cash flow statement and disclosures of turnover, net finance charge, current taxation, financial instruments, related party transactions, share capital and reserves.

The financial statements are prepared under the historical cost convention, except for the modification to a fair value basis for certain financial instruments as specified in the accounting polices below.

Going concern
The financial statements have been prepared on the basis the Company is a going concern, which the directors consider appropriate.

The directors have separately reviewed integrated forecasts for the Company, for the foreseeable future being at least 12 months from the date of approval of the annual report, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital.

The Company's principal activity is to serve as a holding company for a subsidiary company and so the impact of the COVID-19 pandemic on that subsidiary and their operations and going concern has been assessed by the directors. To date, there has not been a material impact felt in the subsidiary. The directors expect the subsidiary will be affected by a negative impact on power prices in the short term due to a reduction in demand for electricity and lower commodities prices, however this is not expected to be significant enough to cause any going concern issues due to there being no material impact on the fixed prices per MWh associated with the Renewable Obligation Certificate (ROC) buyout revenue stream and as such carrying value stated in the financial statements has been deemed appropriate. The directors will continue to closely monitor the situation and to take appropriate action if deemed necessary.

The directors have written confirmation that Equitix Knight FInco Limited intends to continue to financially support the Group during the 12 months following the date the financial statements are signed.

Knight Renewables UK Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

1. Accounting policies (continued)

Basis of consolidation
The financial statements contain information about Knight Renewables UK Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its Equitix Knight Finco Limited, C/O RES White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire WD4 8LR.

This represents the first year that the Company has elected to take a consolidation exemption and follows the acquisition by Equitix Knight Finco Limited, more information is provided in the ulitmate parent undertaking note.

Cash
Cash at bank and in hand on the balance sheet comprise cash in hand and deposits held at call with banks.

Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the year in which the dividends are approved by the Group's shareholders.

Taxation
Current tax, including UK corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1. Accounting policies (continued)

Taxation (continued)
Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax assets and liabilities are offset only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

Bank borrowings
Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period which they arise.

Borrowing costs
Borrowing costs are generally expensed as incurred.

Foreign currency translation
Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date, with movements in the sterling equivalent of the balance being taken to the profit and loss account, with the exception of hedged transactions.

Investments
Investments in subsidiaries are stated at cost less any provision for impairment.

Financial Instruments
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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 Group after deducting all of its liabilities.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Knight Renewables UK Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

1. Accounting policies (continued)

Financial Instruments (continued)
Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1. Accounting policies (continued)

Financial Instruments (continued)
Derivative financial instruments
The Company does not hold derivative financial instruments.

Equity instruments
Equity instruments issued by the Group are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There have been no significant judgements or sources of estimation uncertainty impacting the financial statements.

3. Operating loss

Audit fees are borne by another group company and not recharged.

4. Information regarding directors and employees

The Company has no employees (2018: Nil). No directors received any remuneration from the Company during the year (2018: Nil). Services are provided to the Company through third party asset management agreements.

5. Investments

	2019	2018
	£	£
Subsidiary undertakings		
At 1 January and 31 December	30,607,667	30,607,667

The Company has investments in the following subsidiary undertakings.

	Country of incorporation	Principal activity	Holding	%
St. Breock Limited*	England & Wales	Wind farm	Ordinary shares	100%
Ramsey II Limited*	England & Wales	Wind farm	Ordinary shares	100%
Sancton Hill Limited*	England & Wales	Wind farm	Ordinary shares	100%
South Sharpley Limited*	England & Wales	Wind farm	Ordinary shares	100%
Goonhilly Limited*	England & Wales	Wind farm	Ordinary shares	100%
Goonhilly Solar Limited	England & Wales	Solar farm	Ordinary shares	100%
Tranche 3 Holdings Limited	England & Wales	Dormant	Ordinary shares	100%
Tranche 5 Limited	England & Wales	Wind farm	Ordinary shares	100%

The registered office for all the subsidiary undertakings is C/O Reg White Limited Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, England WD4 8LR.

* Investments held indirectly through a holding company

6. Debtors

	2019 £	2018 £
Amounts owed by Group undertakings	22,878,604	23,176,795
VAT	800	-
Other debtors	95	-
	22,879,499	23,176,795

All intercompany loans are unsecured, non-interest bearing and repayable on demand. Amounts owed to the Company by its subsidiaries are broken down in table below.

Group company	Nature	2019 £	2018 £
Goonhilly Limited	Group relief	21,823	-
Goonhilly Solar Limited	Group relief	51,804	112,020
Goonhilly Solar Limited	Interest free loan	3,366,015	3,785,884
Sancton Hill Limited	Group relief	34,900	-
Tranche 5 Limited	Group relief	416,540	225,996
Tranche 5 Limited	Interest free loan	18,809,465	18,809,465
Group relief estimates		178,057	243,430
		22,878,604	23,176,795

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	17,067	-
Accruals	21,104	14,771
Amounts owed to group companies	32,147,994	31,771,576
	32,186,165	31,786,347

Following the acquisition on 1 February 2019, intercompany loans were replaced with a new intercompany loan from Equitix Knight Finco Limited carrying an interest rate of 3.0245%. Split on amounts owed to group companies are as follows:

Group Company	Nature	2019 £	2018 £
Equitix Knight Finco Limited	Interest bearing loan (IBL)	32,002,175	-
BlackRock Renewable Finance (Dublin) DAC	Interest bearing loan (IBL)	-	31,557,629
BlackRock Renewable Finance (Dublin) DAC	Interest on IBL	-	61,892
Tranche 5 Limited	Group relief	-	6,236
South Sharpley Limited	Group relief	88,729	88,729
Sancton Hill Limited	Group relief	57,090	57,090
		32,147,994	31,771,576

8. Related party disclosures

No guarantees have been given or received.

The Company's ultimate parent and controlling entity is Equitix Fund V LP a Limited Partnership registered in England & Wales, the Company has taken advantage of the exemption under FRS 102 Section 33.1A not to provide information on related party transactions with other undertakings in the Equitix Fund V LP group.

9. Ultimate parent undertaking

The immediate parent company at year end, Equitix Knight Finco Limited, prepares consolidated financial statements and is the smallest and largest member of the Group which prepares consolidated financial statements. The financial statements of Equitix Knight Finco Limited are available from the registered office given on page 1.

On 1 February 2019, the Company was acquired by Equitix Knight Finco Limited. As of that date, the ultimate parent undertaking and controlling party changed from BlackRock NTR Renewable Power Fund to Equitix Fund V LP which is a limited partnership and does not prepare consolidated financial statements.

10. Non adjusting events after the financial period

As noted in the Directors' Report the directors have considered the impact of the COVID-19 pandemic. At the time of signing, it is expected that the pandemic will have a limited impact on the performance of the subsidiaries. Accordingly, there has been no adjustment to any current or prior year figures as a result of the pandemic, and the going concern basis is still deemed appropriate.

11. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements were prepared under International Financial Reporting Standards (collectively "IFRS") as adopted by the European Union (EU) and for the year ended 31 December 2018 and the date of transition to FRS 102 was therefore 1 January 2018. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

Reconciliation of equity

Note		At 1 January 2018 £	At 31 December 2018 £
	Equity reported under IFRS (as previously stated)	20,571,408	56,290,055
	Adjustments to equity on transition to FRS 102		
1	Reversal of fair value movements on financial assets	-	(34,291,945)
2	Reclassify loan and receivables from financial assets	-	(22,595,349)
2	Reclassify loan and receivables to debtors	-	22,595,349
	Equity reported under FRS 102	20,571,408	21,998,110

Reconciliation of profit or loss

Note		Year ended 31 December 2018 £
	Profit for the year under IFRS (as previously stated)	35,718,647
	Adjustments to equity on transition to FRS 102	
1	Reversal of fair value movements on financial assets	(34,291,945)
	Equity reported under FRS 102	1,426,702

Notes to the reconciliations

1 Investments in subsidiaries

In accordance with FRS 102 9.26, on the date of transition the directors adopted the accounting method for its investments in subsidiaries to be at cost less impairment and as such per FRS102 35.10, the deemed cost was to be the carrying amount at the date of transition as determined under the Company's previous financial reporting framework.

Under IFRS, the Company accounted for its investments at fair value and as a result there were no changes to carrying values at transition date but thereafter any fair value movements recognised in the 2018 IFRS profit or loss have been reversed to comply with the newly adopted accounting standard.

2 Loan and receivables

At and since transition date these intercompany receivables have been classified in debtors from a presentational point of view.