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Renewable Energy Systems Holdings Limited

Annual Report and Financial Statements

31 October 2020

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Registered in England and Wales
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Renewable Energy Systems Holdings Limited
Annual Report and Financial Statements for the year ended 31 October 2020
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Renewable Energy Systems Holdings Limited
Company information

Directors
G M McAlpine BA (Hons) MSc
I D Catto BEng (Hons) CEng FIMechE FICE FREng
D C Joyce BAcc (Hons) CA
D J McAlpine BSc (Hons)
C M Marsh BA (Hons) CIPD
M Perona BSc (Hons) Econ
R Ruffle BEng (Hons) CEng

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D J Hearth BA (Hons) Solicitor

Independent auditor
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Registered number
04913497

Renewable Energy Systems Holdings Limited
Strategic report
For the year ended 31 October 2020

The Directors present their Strategic Report on Renewable Energy Systems Holdings Limited (the 'Group') for the year ended 31 October 2020.

Objectives, strategy and business model

The Group's vision is to create a future where everyone has access to affordable zero carbon energy. One of the principal ways in which the Group plans to achieve this is through its mission to continuously innovate to reduce costs and create growth.

Delivery of the Group's vision and mission is underpinned by its core values of Passion, Accountability, Collaboration and Excellence. These values define the Group's culture and enable its vision. The Directors promote the values, vision and culture of the Group with each decision made. They drive performance and create an environment which is motivating for all employees.

The Group is engaged in renewable energy project development, construction and support services in the markets in which it operates around the world. This is generally achieved by establishing local operations, overseen by local management and three regional executive teams which report to the Group Executive Committee. The Group aims to continue to grow the number and scale of its renewable energy projects by funding its own portfolio of development projects through to financial close, which is typically at the start of construction. This is achieved via a combination of recycling cash generated from selling development projects reaching financial close (with or without follow-on construction contracts), third party construction activity, support services activity and Group level bank facilities. The Group also partners with other investors, where appropriate, to mitigate risk or gain strategic advantage.

The Group continues to see increased opportunities for renewable energy companies as technology costs continue to fall, enabling renewables to gain increased market share from more traditional forms of generation, such as coal. Subsidies are expiring, being reduced or replaced with competitive auctions in most of the markets in which the Group operates. This continues to place pressure on margins across the whole supply chain but is also leading to increased levels of innovation and cost reduction, thus enabling further growth.

As renewables deployment continues to grow, the support required for assets during generation is expected to grow therefore the Group is focusing efforts on increasing its current share of the support services market.

The Group's operations are diversified across ten countries, three business streams (development, construction and support services) and four technologies (wind, solar, storage and transmission and distribution). This diversification enables increased stability in cash flows and profitability.

Following a strategic review in 2021 it was determined that the Company would scale back its activity in the construction of wind farms in the US due to the adverse performance of this part of the business in recent years. The gross losses incurred by this operating segment in the year ending 2020 and the prior year are disclosed below the Income statement. The losses mainly arose from unforeseen circumstances that occurred in several key projects such as weather events and supplier delays.

Financial overview

The Group achieved turnover of £970.2 million (2019: £835.2 million). Profit before income tax was £39.5m (2019: £64.0m loss) and operating profit was £38.7 million (2019: £59.1 million loss). Adjusted profit before income tax was £128.7 million (2019: £13.5 million).

The increase in operating profit of the Group compared to prior year was due to large development sales during the year through the sale of wholly owned special purpose vehicles (SPVs) and joint ventures. The Group also sold five generation SPVs during the current year and during FY 2019 the Group incurred exceptional costs of £21.0m.

The Group strategically may select partners to co-invest in development projects prior to the completion of development, which is particularly relevant to the sale of Murra Warra Stage 2 Wind. As joint arrangements, gains realised on the disposal of such development projects are not recognised in gross profit. Such gains are recognised in "Share of after tax profit / (loss) of joint ventures and associates accounted for using the equity method and gain on disposal of joint ventures and associates" within operating profit in the income statement. See note 17 for further details.

Net assets at 31 October 2020 was £228.0 million (2019: £202.2 million). Cash and cash equivalents at 31 October 2020 totalled £146.2 million (2019: £95.1 million), of which £0.6 million (2019: £2.0 million) is restricted. The Group had cash and cash equivalents in excess of total borrowings at 31 October 2020 of £143.9 million compared to £84.1 million in 2019.

Financial overview (continued)

Cash generated during the year totalled £50.6 million (2019: £74.8 million absorbed). This was mostly a reflection of the large development asset sales and generation asset sales realised during the year. Adjusted cash generated from operations totalled £22.0 million (2019: £46.0 million absorbed), which includes the sale of a development asset within RES' subsidiary Avel Vor, that was classified as a disposal of a subsidiary under IFRS. This was the only development asset sale disclosed within disposal of subsidiaries.

Tax strategy

The Group's tax strategy is published on its website and outlines the policy and approach taken by the Group in conducting its tax affairs and managing its tax risk.

Strategic review

In addition to turnover and adjusted profit, the Group monitors a number of non-financial Key Performance Indicators (KPIs). Further detail is provided in the following paragraphs.

The Group (including joint ventures and associates) completed the development of 20 projects totalling 1,794 MW in the year ended 31 October 2020 (2019: 2,597 MW). The Group constructed projects totalling 2,279 MW in the year (2019: 1,831 MW). These construction MW are calculated on a percentage completion basis.

The Group provides support services to 7 GW of operational assets, which has increased from 5.5 GW in 2019.

At regional levels, management boards monitor additional non-financial KPIs including Health and Safety performance using a loss time accident frequency ratio, staff retention, client relationships and project break even prices.

The following commentary summarises the performance in the year, for the Group's core markets.

Europe and Australia

The Group constructed 34 MW in the UK and 5 MW in Germany during the year in relation to development projects sold in the previous financial year.

In Scandinavia the Group sold three developed wind projects totalling 506 MW and constructed approximately 24 MW, of which 9 MW related to a project sold this financial year.

In France, the Group sold two developed wind projects and five developed solar projects totalling 74 MW and constructed approximately 15 MW in the year. In addition, the Group, as a member of a consortium, sold its interest in a 496 MW offshore wind project in the area of Saint Brieuc, off the coast of Brittany, during the financial year.

In Australia, the Group sold one developed wind project, Murra Warra 2, totalling 203 MW.

Americas

The Group constructed 69 MW of wind assets and 10 MW of storage assets in Canada.

In the USA two wind projects totalling 300 MW and two solar projects totalling 200 MW were sold during the financial year. Three distributed projects were also developed totalling 16 MW. 2,122 MW were constructed during the year, of which approximately 23 MW were storage assets, 1,757 MW were in relation to wind assets and 343 MW were for solar assets.

Generation

The Group successfully entered into a transaction to sell a portfolio of eight operational sites with a total capacity of 115 MW across the UK and France at the end of 2019. The three UK projects were sold in October 2019. The five French project sales were signed in October 2019 but conditional on repayment of project debt, which occurred in December 2019.

Principal trading risks

Coronavirus
The impact of Coronavirus is of great concern to the Group, with health and safety of our employees, customers and suppliers of utmost importance. The situation has been and continues to be monitored closely by the Group Executive team, whom have ensured, at a minimum, government guidance is being followed in each of the countries in which the Group operates.

Business Continuity Plans have been put in place and due to recent investment in IT infrastructure, the Group have not had any adverse impacts to date in maintaining operations, with the majority of office based staff enabled to work from home.

During the current financial year the Group has seen a limited impact of the pandemic on all income streams with 20 successful development sales and the continuation of construction and support services activities with increased health and safety measures.

The Directors believe the Group is a going concern per the disclosure within the Directors' Report. The demand for renewable energy projects and related services are forecasted to increase in all markets the Group operates in.

Electricity route to market
One of the principal risks and uncertainties facing the Group relates to securing a route to market for the electricity generated by projects. Value is generated by the electricity from the Group's projects though Power Purchase Agreements (PPAs), hedging instruments, selling on the spot market or sale of projects to infrastructure investment and utility companies. The availability of PPAs, which can be from Government auctions or corporates, is a key risk to the business, along with the volatility of future electricity prices. This volatility has been heightened by the impact of a reduced demand for electricity due to the Coronavirus pandemic.

This risk is mitigated through the Group's cost reduction initiatives in order to keep lowering the cost of renewable energy to ensure that the electricity produced by projects is competitive and continues to gain market share against other forms of electricity generation whilst protecting project value.

Political risk
There is a risk regarding political will to support low carbon initiatives in the future. This risk is mitigated by intergovernmental commitments on carbon reduction necessitating an accelerated transition towards renewable technologies, together with corporate commitments to secure clean energy with the objective of reducing their environmental impact through carbon emission reductions. The Group's focus on cost reduction initiatives will enable renewable energy produced by the Group's projects to be a competitive form of generation in a subsidy free environment.

The Group continuously monitors the situation regarding 'Brexit', with the end of the transition period with the European Union on 31 December 2020. 'Brexit' could impact the UK part of the Group as many significant components procured under EPC contracts are imported from EU countries, thus development and construction margins may be adversely effected by any new regulations in place.

However, the Directors do not believe this risk will significantly alter the UK's appetite for renewable energy, following exit. UK carbon reduction commitments are enshrined in UK law and are not currently expected to change as a result of leaving the EU. In addition, the UK Government remains committed to the Paris Agreement under the United Nations Framework Convention on Climate Change and the Prime Minister's pledge for offshore wind farms to generate enough electricity to power every home in the UK by 2030.

Contracting risks
The Group is exposed to risks in its construction division that could impact on the delivery to clients on time, on budget and to the required specification. Rigorous policies and procedures are in place for mobilisation, monitoring and management of contract performance and maintains a focus on identifying and reporting risks at every stage of the contract. Regular contract reviews are undertaken at a number of levels within the business.

Principal trading risks (continued)

Local planning processes
The unpredictable duration of local permitting processes necessary to build-out development sites is a risk to the Group. This risk is mitigated by the geographical diversification of the Group and also through having a sufficient pipeline of development projects and close engagement with local stakeholders to ensure any concerns are appropriately addressed.

Change in long-term electricity prices
The Group's revenues are impacted by changes in the long term forecasted electricity price. This risk is controlled and mitigated using appropriate project and risk reporting at project and Board level, with appropriate actions taken to minimise risks and by diversifying those activities by both geographical location and technology.

Financial risk management objectives and policies
This has been considered within note 33 to the consolidated financial statements.

Director responsibilities
The Directors welcome the new reporting requirements in relation to their duty under section 172 of the Companies Act 2006 and confirm they have acted in a way, in good faith, that would most likely promote the success of the Group for the benefit of its members as a whole, based on information available to them at the time. In doing so, directors have given regard to, amongst other matters, the:

• likely consequences of any decisions in the long-term;
• interest of the Group's employees;
• need to foster the Group's business relationships with suppliers, customers and others;
• impact of the Group's operations on the community and environment;
• desirability of the Group maintaining a reputation for high standards of business conduct; and
• need to act fairly as between members of the Group

The Group's Vision and values are a fundamental foundation which underpins the actions taken and decisions made not just by directors, but by all our employees. Further details as to how directors have discharged their responsibilities are shown below.

Section 172 statement
For the year ended 31 October 2020, the Group has applied the Wates Corporate Governance Principles for Large Private Companies. The Group has included the additional Corporate Governance disclosures within the Strategic Report and the Directors' Report.

These new corporate governance reporting requirements apply to company reporting for financial years beginning on or after 1 January 2019. This is the first time the Group is following the new disclosure requirements.

Purpose and leadership
The Directors are responsible for effective decision-making with independent oversight. The Group Executive have developed a Stage Gate Process to provide governance over key decision making. This process provides transparency and sets delegated approval limits to provide greater efficiency in the decision making process.

The Stage Gate Process mirrors the Group's values:
Passion - Authorising great projects and transactions to help achieve the Group's Mission

Accountability - Empowering people to ensure that decisions are made at the right level and not the highest level, with the right information, and involving the right expertise

Collaboration - Engaging different parts and levels of the organisation with the objective of delivering value for customers and for the Group

Excellence -The Group strives for excellence by talking to clients, understanding what they need and surpassing their expectations.

Section 172 statement (continued)

To support the decision making process, RES has a Major Transactions Committee (MTC), a subset of the Group Executive Committee, which approves key transactions, acquisitions and material commitments within the Group. The MTC is comprised of Ivor Catto (Group Chief Executive Officer), Donald Joyce (Chief Financial Officer), Dominic Hearth (Group General Counsel), Jaz Bains (Group Risk & Investment Director), Richard Russell (Group Commercial Director) and, depending on the region in which the opportunity is located, can also include Rachel Ruffle (CEO, Northern Europe) or Marco Perona (CEO, Southern Europe and Australia).

Prior to decisions being taken to MTC, RES also has a Risk & Investment Committee (RIC) which is comprised of a multi-disciplinary and diverse team, whom analyse the approval request and make a written recommendation to the MTC, with any key risks or uncertainties clearly highlighted.

Opportunity and Risk
The Directors are responsible for promoting the long-term sustainable success of the Group, identifying opportunities and establishing oversight for the identification and mitigation of risks.

The Directors promote and oversee the long-term sustainable success of the Group through the governance around key decisions with the established MTC described above and through three-year strategic forecasts prepared at business unit level and reviewed by the Group Executive Committee annually. The nature of the business also lends itself to sustainable success as the development pipeline requires investment several years in advance of when a sale is expected to be made. Therefore, the success of the Group is made over a long-term period rather than through short-term gains.

The Board of Directors review the key risks to the Group, described within the Strategic Report, through a Group Risk Report, which is updated by the assigned risk owners each quarter and presented to the Group Executive Committee quarterly. This process is managed by Jaz Bains (Group Risk & Investment Director). As well as reviewing and updating existing risks, the Group also reviews its business and identifies any new risks that may have an impact on the business, which are then added to the Group Risk Report. The Group Risk Report is also presented to the Supervisory Board, which consists of both the Group directors and representatives of the Group's shareholders. This process ensures oversight for the identification and mitigation of risks.

The Group's key business risks are discussed within the Principal trading risks section of the Strategic Report. New risks added to the Group Risk Report during the year included the coronavirus and the physical risks of climate change.

Board composition
In each country in which the Group operates, a local management team oversee operations. Each country is allocated to one of three regions: Northern Europe, Southern Europe and Australia, and the Americas. Each region has a regional CEO who is also a member of the Group Executive. On a periodic basis, Group Executive members attend regional board meetings to provide more oversight to country specific matters.

The Group Executive report to the McAlpine Supervisory Board who provide independent governance, challenge and oversight. The Supervisory Board includes non-executive directors, with an appropriate blend of experience.

Further information regarding the composition of the Board is disclosed within the Directors' report under the heading 'Directors'.

Remuneration
The Group is committed to executive remuneration structures which are aligned to the Group's culture and values, promoting the long-term sustainable success of the business and the interest of the Group's shareholders. The Group's policy is to provide appropriate and fair levels of remuneration at a level which attracts and retains our best talent. To ensure our people act in the best interest of the Group and to motivate and retain our key senior talent, the Group has a Long Term Incentive Plan, linked to the consolidated Group performance. The Group Bonus Plan, which all employees are eligible for, is based on different elements, including local Business Unit performance, the consolidated Group performance, Health and Safety performance and Personal performance. Remuneration changes and bonuses require the approval of the Remuneration Committee, which is comprised of members of the Group Executive. The remuneration of the Group Executive is approved by the Group's CEO and shareholder representatives, utilising external benchmarks where required.

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Section 172 statement (continued)

Stakeholder relationships and engagement
For nearly 40 years, the Group has been leading efforts to create a future where everyone has access to affordable zero carbon energy. The Group has developed and/or constructed 19GW of green energy which resulted in avoided emissions of more than 21 million tonnes of CO_2, the equivalent of powering all of the electric vehicles in Europe and the US for a year.

Sustainability lies at the core of the Group's business activities and values. The Group continues to build a culture that allows it to integrate sustainability into every part of its day-to-day operations and beyond. This is also about having a positive impact on the lives of its employees, stakeholders and communities close to its projects. It is thanks to the Group's values and culture that its employees can integrate sustainability into their daily work as well as their lives. For more information, please refer to the Power for Good report, which can be found on the Group's website.

The Group's sustainability agenda is to power positive change by ensuring that its operations, products and services make a net positive contribution to society and the environment. This agenda is supported by principles in three core areas:

• Business - position the Group for sustainable growth by combining long-term strategic thinking with focused short-term action
• Environment - manage activities to maximise the environmental benefits of projects and business
• Social - provide a safe and healthy work environment which encourages employee development and creates opportunity to positively contribute to the Group's stakeholders and the wider community

A core activity of the Group and a good example of long term planning with consideration of stakeholders is the investment in the Group's development pipeline. Once a development site for a windfarm, solar farm or battery storage facility has been approved internally for investment, a wide variety of stakeholders are consulted prior to construction. Key stakeholders include landowners, local communities, offtakers, local councils and planning committees, power infrastructure stakeholders and project partners. The Group works with the local community to provide local employment and prioritises local suppliers when possible. The Group assess the impact to the local natural environment of any development and works with specialists to ensure there is no detrimental impact when considering the construction of one of the Group's renewable energy assets. Without the support of the local community, the development is unlikely to be a success therefore consulting with these stakeholders is essential.

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Energy and Carbon Report

As a renewable energy company, the Group is deeply aware of the implications of climate change, from evolving policies to new low-carbon technologies and enhanced physical risks. Addressing climate-related opportunities and risks is integral to how the Group conducts business and is embedded in its vision and company strategy.

In the last financial year, globally, RES avoided emissions of 4.3 million tonnes of carbon dioxide annually through its operations in construction and development.

The Group's definition of net zero emissions means that its business activity will not cause or result in the net release of greenhouse gases into the atmosphere. The Group recognises the urgency of the Climate Crisis and are on a journey to becoming even greener. The Group has therefore decided to align to the Science Based Target Initiative. This initiative champions the adoption of "science-based" greenhouse gas emission reduction targets in-line with what the latest climate science says is necessary to meet the goals of the Paris Agreement - to limit global warming to well-below 2°C above pre-industrial levels and pursue limiting warming to 1.5°C. This net zero strategy is strongly aligned to the Group's vision. For this financial year, the Group will also offset its direct emissions, indirect market-based emissions associated with electricity and employee business travel, for example, via supporting reforestation projects.

The UK & Ireland (UK&I), and French business activities of the Group have ISO 14001 as an accredited environmental management system. The Group have secured worldwide recognition for its asset management services with the ISO 55001 certification. This ISO 55001 certification reflects the Group's capabilities in developing an active approach to lifecycle asset management.

Energy Use, Emissions and Intensity Metrics

Data reported for the Group's business conducted in the UK&I geographic boundary is quoted below. All other subsidiaries based outside of the UK are excluded as they do not fall within the scope of Streamlined Energy and Carbon Reporting requirements.

	UK&I
	FY2020
Scope 1 emissions	83 tCO_2e
Scope 2 emissions (location-based approach)	77 tCO_2e
Scope 2 emissions (market-based approach)	32 tCO_2e
Energy use	784,375 kWh
Other Scope 3 emissions – employee business travel*	385 tCO_2e
Biomass heating emissions	1 tCO_2e
Total gross emissions based on the above**	501 tCO_2e
Total carbon intensity ratio (emissions/UK&I revenue)	12.4 tCO_2e/£m

**Scope 3 employee business travel emissions are relatively low in FY2020 reflecting the reduced activity due to the pandemic.*
***includes market- based scope 2 emissions*

Energy Efficiency Action

The Group was an early adopter of energy efficiency action with its environmentally friendly head office building incorporating many examples of renewable energy generation, sustainable design techniques and energy efficiency. Recent retrofitting of LEDs in 2019 was calculated to result in energy savings of 67% at the head office. The Group has a sustainable approach to office spaces and has objectives to source renewable power at our managed sites. The Group also recognises the importance of electric vehicles (EVs) in decarbonising transport emissions and is in the process of tendering for 6 additional EV chargers at the head office, to support and encourage employee and visitor use of EVs.

Renewable Energy Systems Holdings Limited
Strategic report
For the year ended 31 October 2020

Energy and Carbon Report (continued)

Methodologies
The Company defines its organizational boundary according to the equity share approach. The reporting period is aligned with our financial year. Data has been collected in accordance with the standards set out by the Greenhouse Gas Protocol. We have sought to reduce data uncertainties in our reported figures where practical.

Approved by the Board and signed on its behalf by:

DocuSigned by:
Donald Joyce
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D C Joyce
Chief Financial Officer
23 April 2021

Renewable Energy Systems Holdings Limited
Directors' report
For the year ended 31 October 2020

The Directors present their report and audited financial statements for the year ended 31 October 2020 for the Renewable Energy Systems Holdings Limited Group (the 'Group') and Renewable Energy Systems Holdings Limited Company (the 'Company').

The consolidated financial statements for the Group have been prepared under International Financial Reporting Standards (IFRS) for the year ended 31 October 2020. The Company financial statements have been prepared under FRS 101 for the year ended 31 October 2020.

The Company has chosen, in accordance with section 414C (11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Directors' report. These include principal trading risks, financial risk management and an overview of future developments in the Group. Also included in the Strategic Report is the Group's strategy, values and culture specified in the 'Objectives, Strategy and Business Model' section and new disclosures in line with Streamline Energy and Carbon Reporting (SECR).

Principal activities
The principal activities of the Group are the development, construction and support services for renewable energy projects and infrastructure. The Group has operations in Europe, the Americas and Australia.

Dividends
In the year the directors did not declare a dividend (2019: £5,723,850). A dividend of £7,475,000 has been declared post year-end.

Directors
The directors who have held office throughout the year and up to the date of signing are as follows:

G M McAlpine BA (Hons) MSc
Gavin is the Group's Chairman. He has a 22 year history with RES in a range of executive, management and leadership positions. He has worked extensively throughout the company, including 3 years establishing the RES Americas business whilst based in Austin, Texas.

Gavin also sits on the McAlpine Group Supervisory Board which oversees the Group's full business operations including Sir Robert McAlpine Ltd, the Group's contracting and civil engineering business which celebrated its 150 year anniversary in 2019.

Gavin has a BA in Economic and Social History and an MSc in Renewable Energy and Sustainable Development from the Institute of Energy and Sustainable Development (IESD). Gavin also has IOSH Safety for Executive & Directors certification.

I D Catto BEng (Hons) CEng FIMechE FICE FREng
Ivor is Chief Executive of the Group. He joined in 2016 and was previously CEO, Hyder Consulting plc, a multi-national design and engineering group. He has over 30 years' global experience in the development, design and construction of major energy and infrastructure projects. Ivor has also served as Chairman of WindEurope.

D C Joyce BAcc (Hons) CA, CPA
Donald has been CFO of the Group since 2010. He is responsible for Finance, Procurement, Strategy and Tax functions within RES. Prior to RES Donald was CFO of Scottish Power Energy Retail, serving over 5 million domestic and commercial customers in the UK. Before moving to the Energy Sector in 2006 he was CFO of a large Manufacturing, Retail and Distribution conglomerate, based in Vancouver BC, with operations throughout North America.

D J McAlpine BSc (Hons)
Douglas is Chairman for RES Americas. He has cross-discipline experience largely focused on strategy, key account management, business development and health & safety. At RES he has worked in development, construction, commercial, strategy, finance and business development departments and his pre-RES experience includes construction management and marketing.

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Directors (continued)

C M Marsh BA (Hons) CIPD
Chris is the Group's HR director. He is responsible for a number of Group wide functions: HR, Engineering, Technical and IT. Chris is a HR professional with over 25 years experience across the full range of HR activities at both strategic and operational levels. He has particular experience of change management processes including acquisition, divestment, restructuring and outsourcing activity.

M Perona BSc (Hons) Econ
Marco is the CEO of RES' Southern Europe and Australia regions. He is an expert in investing and financing a wide spectrum of renewable energy infrastructure projects and businesses. He has 25+ years of international experience in Business & Corporate Development and mergers & acquisitions. He has developed and managed profitable businesses in an international context and has global experience in both developed and emerging markets. Marco also serves on the board of WindEurope.

R Ruffle BEng (Hons) CEng
Rachel is CEO of RES' Northern Europe regions, responsible for all business interests for the RES Group in the UK, Ireland, Norway, Sweden and Germany. The core business of the region is the development, construction, asset management, operations and maintenance of wind, solar and storage renewable power projects as well as transmission infrastructure. As part of the Group Executive team, Rachel undertakes overall management and supervision of the RES Group and provides leadership on RES' vision, mission and values and its strategic objectives.

G M Reid (resigned 10 February 2020)

Qualifying third-party and pension scheme indemnity provisions
The Group has made no qualifying third party indemnity provisions for the benefit of its directors.

Employees
The Group's employees are critical to its current and future success. Nothing is more important to the Group than making sure that everyone goes home safe and healthy every day. As a key strategic objective, the Group's goal is to become a market leader in safety performance. During October 2020, all employees took part in a Global Safety stand down day to focus on safety and give thought to the risks we take with a motto of "Don't Risk It". The event was sponsored by the Group Executive and led by local country Executive teams, with support from the Group HSQE (Health, Safety, Quality and Environment) director and local HSQE teams.

The Group believes that diverse, talented and creative teams add value to the business by enabling it to respond positively and flexibly to changes in competitive domestic and international markets. The Directors continue to promote and support diversity and inclusion, valuing the talent of all our staff and ensuring that we can compete in attracting, retaining and developing high calibre employees with wide-ranging experience and abilities.

The Group has developed a Ten-Step Diversity and Inclusion Commitment that seeks better representation of all diversity groups at all levels, with the intention of eroding the pay gap between male and female employees. The Group has worked with WISE to achieve better gender balance in the science, technology and engineering workforce and has established Affinity Networks to raise and address issues around inclusion, covering areas such as gender, race, age, disability and sexual orientation and gender identity, which are overseen by Group executive members.

Information affecting the Group's employees is communicated using a combination of methods including self-service intranet, email, team meetings and individual consultation. Employees complete regular surveys to provide feedback to management and groups are created on the intranet for specific topics where employees and management can raise and answer questions. A Group-wide bonus scheme is in operation to enable employees to share in the success of the Group and to recognise their efforts in contributing to that success.

Information affecting the performance of the Group is provided to employees through quarterly town hall updates in each region and bi-annual performance updates given by the Group executive team.

The Group acts in accordance with its Equal Opportunity and Diversity policy, which specifies that employees with disabilities will receive fair treatment and be considered according to their ability to do the job, following reasonable adjustments where appropriate. Decisions on recruitment, selection, training, promotion and career management are based on objective and job-related criteria.

Renewable Energy Systems Holdings Limited
Directors' report
For the year ended 31 October 2020

Research and development

The Group continues to invest in developing wind, solar and storage sites across its core markets, expensing development costs until there is sufficient certainty that the project is economically viable and construction is able to commence. The Group has a leading position in the energy storage market globally and has invested resources in creating a platform ("RESolve") which controls the operational performance of the battery, optimising the service provided to clients. The Group will continue to invest in this platform as the storage market is expected to grow due to its role as an enabling technology to facilitate greater deployment of intermittent wind and solar energy generation. The Group continues to invest in a number of initiatives to enable continuing reductions in the levelised cost of renewable energy.

Events after the reporting period

The Directors are not aware of any material events after the reporting period other than those disclosed in note 38 of the financial statements. Further information regarding future developments and material events after the reporting period are disclosed in the Strategic Report.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report. The financial position of the Group is set out in the consolidated statement of financial position and the accompanying notes to the financial statements. The Group's cash and borrowings positions are set out in the Strategic Report and notes 24, 26 and 33 to the financial statements. A description of the Group's financial risks are also set out in note 33 to the consolidated financial statements.

At the year end the Group had cash of £146.2 million (2019: £95.1 million) and borrowings of £2.3 million (2019: £11 million). In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has a strong focus on cash collection. As a consequence, the Directors believe that the Group will be able to continue to manage its business risks successfully. In the forthcoming year, the Group intends to fund its growth by project sales.

Cash forecasts identifying the liquidity requirements of the Group are produced regularly. These are reviewed by the Board to ensure that sufficient financial facilities are available for at least twelve months from the date of signing these financial statements. After making enquiries, the Directors have a reasonable expectation that the company and the Group have 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.

Auditor

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

1) so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and

2) the Director has 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as the company's auditor.

Approved by the Board and signed on its behalf by:

DocuSigned by:
Donald Joyce
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D C Joyce
Chief Financial Officer
23 April 2021

Renewable Energy Systems Holdings Limited
Directors' responsibilities statement
For the year ended 31 October 2020

Directors' responsibilities statement
The Directors are responsible for preparing the Annual 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 are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 parent company 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 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.

In preparing the group financial statements, International Accounting Standard 1 requires that Directors:

• properly select and apply accounting policies;
• present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
• provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
• make an assessment of the company's ability to continue as a going concern.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:
• the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;

• the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

• the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide

This responsibility statement was approved by the board of directors on 23 April 2021 and is signed on its behalf by:

DocuSigned by:
Donald Joyce
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D C Joyce
Chief Financial Officer
23 April 2021

Renewable Energy Systems Holdings Limited
Independent auditor's report
For the year ended 31 October 2020

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Renewable Energy Systems Holdings Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2020 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated cash flow statement;
- the company balance sheet;
- the company statement of changes in equity;
- the related notes 1 to 38 to the consolidated financial statements; and
- the related notes 1 to 12 to the company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 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 group's or the parent 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.

Renewable Energy Systems Holdings Limited
Independent auditor's report
For the year ended 31 October 2020

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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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 auditor's 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Renewable Energy Systems Holdings Limited
Independent auditor's report
For the year ended 31 October 2020

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

• the parent company 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.

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.

Darren Longley FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
23 April 2021

Renewable Energy Systems Holdings Limited
Consolidated income statement
For the year ended 31 October 2020

	Notes	2020 £'000	2019 £'000
Revenue	4	**970,184**	**835,233**
Cost of sales	5	(978,349)	(839,095)
Gross loss		**(8,165)**	**(3,862)**
Administrative expenses	5	(67,550)	(58,935)
Exceptional items	9	41	(21,018)
Profit on disposal of subsidiaries	7	67,858	9,335
Other net gains	8	1,095	184
Group's share of after tax profit of joint ventures and associates accounted for using the equity method; and gain on disposal of joint ventures and associates	17	45,395	15,213
Operating profit / (loss)		**38,674**	**(59,083)**
Other income	10	1,684	623
Finance cost excluding foreign exchange	11	(5,706)	(6,099)
Finance income excluding foreign exchange	11	3,050	2,346
Foreign exchange gain / (loss) on financing activities	12	1,791	(1,814)
Profit / (loss) before income tax		**39,493**	**(64,027)**
Income tax charge	13	(7,498)	(19,151)
Profit / (loss) for the financial year		**31,995**	**(83,178)**
Profit / (loss) attributable to:			
– Owners of the parent		30,934	(83,041)
– Non-controlling interests		1,061	(137)
		31,995	**(83,178)**

The notes on pages 23 to 65 are an integral part of these consolidated financial statements.

Profit / (loss) before income tax includes exceptional items and results from scaled back operations. The following reflects the underlying profit before income tax excluding the impact of these items.

Reconciliation:			
Profit / (loss) before income tax		**39,493**	**(64,027)**
Exceptional items	9	(41)	21,018
Gross loss impact of scaled back operations	38	89,204	56,497
Adjusted Profit before income tax		**128,656**	**13,488**

Renewable Energy Systems Holdings Limited
Consolidated statement of comprehensive income
For the year ended 31 October 2020

	Notes	2020 £'000	2019 £'000
Profit / (Loss) for the financial year		**31,995**	**(83,178)**
Other comprehensive (loss) / income:			
Items that will not be reclassified to profit or loss:			
Defined benefit pension remeasurements	29	(2,201)	98
Tax on defined benefit pension remeasurements	13	418	-
		(1,783)	98
Change in fair value of equity investments	18	(683)	559
Profit on disposal of equity investments		847	-
Deferred tax on equity investments	13	(21)	-
		143	559
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		(4,235)	(92)
Deferred tax on currency translation differences	13	(835)	-
		(5,070)	**(92)**
Other comprehensive (loss) / income for the year, net of tax		**(6,710)**	**565**
Total comprehensive income / (loss) for the year		**25,285**	**(82,613)**
Attributable to:			
- Owners of the parent		24,200	(82,479)
- Non-controlling interest		1,085	(134)
Total comprehensive income / (loss) for the year		**25,285**	**(82,613)**

The income tax relating to each component of other comprehensive (loss) / income is disclosed in note 13.

The notes on pages 23 to 65 are an integral part of these consolidated financial statements.

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Renewable Energy Systems Holdings Limited
Consolidated statement of financial position
As at 31 October 2020

	Notes	2020	2019
		£'000	£'000
Non-current assets			
Property, plant and equipment	14	33,366	44,750
Right of use asset	15	27,580	-
Intangible assets	16	10,484	12,217
Investments in associates and joint ventures	17	577	17,083
Equity investments	18	1,258	4,155
Deferred tax assets	20	12,802	13,387
Trade and other receivables	21	891	18,701
		86,958	**110,293**
Current assets			
Trade and other receivables	21	197,688	242,203
Contract assets	22	99,780	76,979
Inventory	23	104,618	29,099
Assets classified as held for sale		-	71,024
Cash and cash equivalents	24	146,232	95,070
		548,318	**514,375**
Current liabilities			
Trade and other payables	25	(159,872)	(171,109)
Contract liabilities	22	(160,466)	(97,114)
Current income tax liabilities		(543)	(2,764)
Liabilities classified as held for sale		-	(59,486)
Borrowings	26	(1,931)	(2,192)
Lease liabilities	27	(10,736)	-
Derivative financial instruments	19	(66)	(893)
Provisions for liabilities	28	(25,586)	(38,366)
		(359,200)	**(371,924)**
Net current assets		**189,118**	**142,451**
Total assets less current liabilities		**276,076**	**252,744**
Non-current liabilities			
Borrowings	26	(388)	(8,813)
Lease liabilities	27	(17,634)	-
Accruals and deferred income		(1,279)	(15,179)
Provisions for liabilities	28	(6,492)	(7,635)
Post-employment benefit liabilities	29	(18,240)	(16,171)
Deferred tax liabilities	20	(4,001)	(2,730)
		(48,034)	**(50,528)**
Net assets		**228,042**	**202,216**
Equity attributable to owner of the parent			
Ordinary shares	30	58,843	58,843
Merger reserve		9,584	9,584
Revaluation reserve		1,064	921
Cumulative translation differences		4,237	8,790
Capital redemption reserve		1,158	1,158
Retained earnings		153,916	124,765
		228,802	**204,061**
Non-controlling interest		(760)	(1,845)
Total equity		**228,042**	**202,216**

The notes on pages 23 to 65 are an integral part of these consolidated financial statements.

The financial statements were approved by the board of directors and authorised for issue on 23 April 2021. They were signed on its behalf by:

DocuSigned by:
Donald Joyce
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D C Joyce
Director
23 April 2021

Renewable Energy Systems Holdings Limited
Consolidated statement of changes in equity
Year Ended 31 October 2020

	Note	Attributable to owners of the parent								
		Share capital	Merger reserve	Revaluation reserve	Cumulative translation reserve	Capital redemption reserve	Retained earnings	Total	Non-controlling interest	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 November 2018		58,843	9,584	362	8,885	1,158	218,062	296,894	(4,261)	292,633
Impact of transition to IFRS 15							(1,778)	(1,778)		(1,778)
Loss for the year		-	-	-	-	-	(83,041)	(83,041)	(137)	(83,178)
Other comprehensive income / (loss) for the year		-	-	559	(95)	-	98	562	3	565
Total comprehensive income/ (loss) for the year		-	-	559	(95)	-	(82,943)	(82,479)	(134)	(82,613)
Dividends	31	-	-	-	-	-	(5,724)	(5,724)	-	(5,724)
Other movement		-	-	-	-	-	(2,852)	(2,852)	2,550	(302)
Total transactions recognised directly in equity		-	-	-	-	-	(8,576)	(8,576)	2,550	(6,026)
Balance as at 31 October 2019		58,843	9,584	921	8,790	1,158	124,765	204,061	(1,845)	202,216
Profit for the year		-	-	-	-	-	30,934	30,934	1,061	31,995
Other comprehensive (loss) / income for the year		-	-	143	(5,094)	-	(1,783)	(6,734)	24	(6,710)
Total comprehensive income / (loss) for the year		-	-	143	(5,094)	-	29,151	24,200	1,085	25,285
Dividends	31	-	-	-	-	-	-	-	-	-
Other movement		-	-	-	541	-	-	541		541
Total transactions recognised directly in equity		-	-	-	541	-	-	541	-	541
Balance as at 31 October 2020		58,843	9,584	1,064	4,237	1,158	153,916	228,802	(760)	228,042

Renewable Energy Systems Holdings Limited
Consolidated cash flow statement
For the year ended 31 October 2020

	Notes	2020	2019
		£'000	£'000
Cash flows from operating activities			
Cash absorbed by operations	32	(89,123)	(69,956)
Distributions from joint ventures and associates related to project disposals		5,113	51,516
Proceeds from disposal of the Group's equity interests in joint ventures and associates		55,722	6,335
Contributions to associates and joint ventures		-	(26,124)
Interest paid		(730)	(3,647)
Interest received		217	440
Income tax paid		(13,009)	(4,534)
Net cash used in operating activities		**(41,810)**	**(45,970)**
Cash flows from investing activities			
Purchases of subsidiaries, joint ventures and associates		(250)	(6,090)
Purchases of property, plant and equipment		(8,026)	(19,123)
Proceeds from sale of property, plant and equipment		2,175	5,449
Purchases of equity investments		-	(290)
Proceeds from disposal of equity investments		3,761	-
Proceeds from disposal of subsidiaries, net of cash		106,538	8,120
Loans advanced to other related parties	36	-	(4,520)
Net cash generated / (used) in investing activities		**104,198**	**(16,454)**
Cash flows from financing activities			
Proceeds from borrowings		337	13
Repayments and other reductions of borrowings		(2,163)	(6,632)
Cash payments for principal portion of lease liabilities		(9,994)	-
Dividends paid to owners of the parent	31	-	(5,724)
Net cash used in financing activities		**(11,820)**	**(12,343)**
Net increase / (decrease) in cash and cash equivalents		50,568	(74,767)
Cash and cash equivalents at beginning of year	24	95,070	169,004
Exchange gains		594	833
Cash and cash equivalents at end of year	24	**146,232**	**95,070**

Proceeds from disposal of subsidiaries, net of cash, includes the sale of a subsidiary containing an interest in a development asset, which management believe is part of the Group's ordinary course of business, therefore cash from operating activities has been adjusted below:

		2020	2019
		£'000	£'000
Net cash used in operating activities		**(41,810)**	**(45,970)**
Add net cash consideration from the sale of a development asset within a subsidiary	7	63,851	-
Adjusted cash generated from / (used in) operating activities:		**22,041**	**(45,970)**

The notes on pages 23 to 65 are an integral part of these consolidated financial statements.

1 General information

Renewable Energy Systems Holdings Limited ('the Company') and its subsidiaries (together, the "Group") develop, construct and operationally manage renewable energy projects and infrastructure. This includes the sale of fully or partially developed projects and also the production and sale of electricity from projects where ownership has been retained. The Group has operations in Europe, the Americas and Australia.

The company is a private company limited by shares, incorporated and domiciled in England and Wales. The address of its registered office is Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of Renewable Energy Systems Holdings Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation to fair value of certain equity investments and of derivative financial instruments. The financial statements are presented in Pound sterling.

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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.2 New Standards

2.2.1 New Standards, amendments and interpretations adopted by the Group

(i) Application of IFRS 16, Leases
The Group adopted IFRS 16, 'Leases' on 1 November 2019 using the modified retrospective approach. The standard replaces IAS 17 'Leases', and related interpretations. IFRS 16 addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting information about the leasing activities of both lessees and lessors. IFRS 16 determines whether a contract contains a lease based on whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17.

A key change arising from IFRS 16 is that most operating leases will be accounted for on the statement of financial position as lease assets (right of use assets) and lease liabilities. The new standard also changes the recognition of lease expenses in the income statement. Previously lease rentals would be recognised on a straight line basis within operating costs, under IFRS 16 lease interest on the lease liability is recognised within finance costs and depreciation of the right of use asset is recognised in operating expenses.

There are several practical expedients and exemptions under IFRS 16. The Group is using the following practical expedients specified within the Standard:
1) At the adoption date, right of use lease assets are set equal to the lease liabilities (adjusted for accruals and prepayments) and there is no restatement of the comparative period.
2) The Group has also elected to rely on its assessment of whether leases are onerous applying IAS 37 Provisions, Contingent liabilities and Contingent assets immediately before the date of initial application, adjusting the right of use asset at the date of initial application by the amount of any provision for onerous leases.
3) The Group has also elected to use the practical expedient whereby a single discount rate is used for a portfolio of leases.
4) The Group has elected to account for leases with a lease term of less than 12 months from the date of application and low-value underlying assets with a value of less than £3,500 when new, as operating leases with rental payments expensed on a straight line basis within operating expenses.

2.2 New Standards (continued)

(ii) Impact on lessee accounting
For leases assessed as IFRS 16 applicable, the Group:
- Recognises right of use assets and lease liabilities in the Consolidated Statement of Financial Position, initially *measured at the present value of the future lease payments; and*
- Recognises depreciation of right of use assets and interest on lease liabilities in the income statement

Lease incentives are recognised as part of the measurement of the right of use asset and lease liabilities.

Under IFRS 16 the right of use asset will be tested for impairment in accordance with IAS 36 Impairment of Assets. This replaced the previous requirement to recognise a provision for onerous leases. An impairment assessment of the right of use assets was performed on transition on 1 November 2019 with no impact identified. The major classes of leases impacted by the new standard are property, motor vehicles and construction plant and equipment.

At 1 November 2019 transition date adoption of IFRS 16 resulted in the Group recognising a right of use asset of £20.6m and lease liabilities of £20.8m. There is a reduction of £0.3m for prepaid rental amounts now added to the right of use assets and a reduction of £0.6m to liabilities for accrued rentals, property provisions and accrued rent-free period amounts netted against the right of use asset.

The weighted average incremental borrowing rate (IBR) used at the transition date to discount lease liabilities was 7.8%. A single IBR has been applied to a portfolio of leases. The approach to use an IBR to discount a lease has been followed since the transition date where the interest rate implicit in individual leases cannot be readily determined. On transition the Group elected to apply the practical expedient to rely on the reviews performed at 31 October 2019 to consider any onerous property contracts.

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. Where a lease includes the option to extend, the Group makes a judgement as to whether it is reasonably certain that the option will be taken, and an assumed expiry date is determined. Where there are extension options on specific leases and the assumed expiry date is determined to have changed, the lease term is reassessed. This reassessment of the remaining life of the lease could result in a recalculation of the lease liability and the right of use asset and potentially result in a material adjustment to the associated balances of depreciation and finance lease interest.

The adoption of the new standard in the year has had an impact on the income statement due to a depreciation charge of £10.3m relating to the right of use assets associated with IFRS 16 and an interest cost relating to the IFRS 16 lease liabilities of £1.6m. At 31 October 2020 the Consolidated Statement of Financial Position included the following IFRS 16 amounts: a net book value of the IFRS 16 right of use asset of £26.5m and lease liabilities of £27.2m.

The following table reconciles the opening balance for lease liabilities as at 1 November 2019 based upon the operating lease obligations as at 31 October 2019:

	£'000
Operating lease commitments as at 31 October 2019:	22,467
Adjustment to the operating lease commitments as at 31 October 2019:	33
Adjustment for lease term not equal to contract term:	1,893
Less short term and low value asset leases:	-169
	24,224
Lease liability at date of initial adoption of IFRS 16:	20,816
Average discount factor:	7.8%

2.2 New Standards (continued)

2.2.2 New Standards, amendments and interpretations not yet adopted by the Group
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 November 2020, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group or parent company.

2.2.3 Use of non-GAAP measures
In the reporting of financial information, the Group uses certain measures that are not required under IFRS, the generally accepted accounting principles ('GAAP') under which the Group reports. The Group has included an adjusted profit figure on the face of the income statement to provide additional information on the profit impact of activities the Group is scaling back on and exceptional items that are not expect to occur in future periods.

The terms 'adjusted profit', 'scaled back operations', and 'exceptional items' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

The term 'adjusted profit' refers to profit adjusted for non-recurring items and items which are not expected to be comparable in future periods due to strategic and operational decisions. The term 'scaled back operations' refers to operations the group are investing less resources in going forward and the term exceptional items is defined in section 2.12.

The Group has also included an adjusted cashflow figure below the cashflow statement. Management consider cash generated from operations to include all cash generated and used on activities relating to support services, construction and development. When IFRS disclosures differ from this treatment, management consider an adjusted cashflow.

During the current year a development asset was sold within a subsidiary and was treated as a disposal of a subsidiary under IFRS with the cashflow recognised under investing activities. This cashflow is added back to cash generated from operations in management's adjusted cashflow detailed below the cashflow statement.

2.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report. The financial position of the Group is set out in the consolidated statement of financial position and the accompanying notes to the financial statements. The Group's cash and borrowings positions are set out in the Strategic Report and notes 24, 26 and 33 to the financial statements. A description of the Group's financial risks is also set out in note 33 to the consolidated financial statements.

At the year end the Group had cash of £146.2 million (2019: £95.1 million) and borrowings of £2.3 million (2019: £11m).

The Directors believe that the Group will be able to continue to manage its business risks successfully. In the forthcoming year, the Group intends to fund its growth by project sales. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has a strong focus on cash collection.

Cash forecasts identifying the liquidity requirements of the Group are produced regularly. These are reviewed by the Board to ensure that sufficient financial facilities are available for at least twelve months from the date of signing the financial statements. After making enquiries, the Directors have a reasonable expectation that the company and the Group have 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.

2.4 Consolidation

2.4.1 Subsidiaries and business combinations

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Details of the subsidiary entities which have been included in the consolidated financial statements are set out in note 12 of the separate parent company financial statements that accompanies these financial statements. The interests of non-controlling interests in the Group's activities and cash flows are not considered to be material.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in the income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed to be an asset or liability are recognised in accordance with IFRS 9 in the income statement. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.4.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.4.3 Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to retained earnings.

2.4.4 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in net assets of the investee after the date of acquisition.

2.4 Consolidation (continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of any amounts previously recognised in other comprehensive income is reclassified to retained earnings where appropriate. Dilution gains and losses arising on partial disposals of investments in associates are recognised in the income statement.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from an associate reduce the carrying amount of the investment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "Share of after tax profit / (loss) of joint ventures and associates accounted for using the equity method and gain on disposal of joint ventures and associates" in the income statement.

Gains and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Additional investments in loss making associates are expensed to the extent that they represent share of losses not previously recognised. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4.5 Joint arrangements
The Group applies IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Renewable Energy Systems Holdings Limited has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method (see 2.4.4 above).

2.5 Foreign currency translation

2.5.1 Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in Pound sterling, which is the Group's presentation currency.

2.5.2 Transactions and balances
Foreign currency transactions are initially translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Related foreign currency denominated monetary assets and liabilities remaining at the reporting date are translated into the functional currency using spot rates at that date. Foreign exchange gains and losses resulting from the retranslation or settlement of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, or in either other comprehensive income or directly in equity to follow where the recognition of the underlying item is classified. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within cost of sales or administrative expenses as appropriate.

Translation differences on non-monetary financial assets measured at fair value, such as equities classified as equity investments, are included in other comprehensive income.

2.4 Consolidation (continued)

2.5.3 Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each income statement are translated at average exchange rates; and

- all resulting exchange differences are recognised via other comprehensive income in "cumulative translation differences" reserves.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Where loans to and borrowings from other Group companies are denominated in foreign currencies and settlement of these items is neither planned nor likely to occur in the foreseeable future, and these items form part of the net investment in a foreign operation, the exchange difference arising on these items is recognised via other comprehensive income in "cumulative translation differences" reserves.

2.6 Revenue recognition

Revenue from construction contracts is recognised over time as the performance obligation is fulfilled. Revenue from development projects is recognised as the development site is transferred to the customer, in line with any contractual obligations. Revenue from the operation of wind and solar farms is recognised in line with the electricity transferred. For all revenue streams, payment terms are detailed within the relevant contracts. The Group recognises revenue and profit for specific Group activities, as described below.

2.6.1 Revenue from the sale of electricity
Generation revenue is recognised on the sale of electricity generated in wind and solar farms at the time that the electricity is generated and enters grid networks.

2.6.2 Revenue from service agreements
Revenue is earned on support services contracts, where wind, storage and solar sites are operated and managed by the Group on behalf of third parties, and operations and maintenance service contracts where on-site plant and equipment are inspected and maintained by the Group on behalf of third parties. Revenue is recognised as the performance obligations under the service agreements are met.

2.6.3 Revenue from construction contracts
For construction contracts, revenue and costs are recognised when the outcome of the contract can be estimated reliably. If the contract is considered profitable, revenue and the associated costs are recognised based on the percentage of total costs incurred up to the reporting date. This is due to the single performance obligation specified by the respective contract being met over time. If the contract is not considered profitable, the total expected loss is recognised within the reporting period in which the indication the contract will become loss-making occurred.

Variable revenue in respect of contracts (including change orders, liquidated damages and claims) is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty is subsequently resolved.

2.6 Revenue recognition (continued)

Turbine costs, and the related income, are to be recognised in the income statement following commissioning as prior to this point there has been no transfer of control of the turbines to the customer. Turbine costs incurred prior to commissioning are capitalised in the balance sheet within inventories and are not included within the percentage complete calculation for the recognition of construction contract revenue and costs. Following commissioning, turbine costs incurred to date are included in the income statement and the remaining costs are then recognised in line with the Turbine Supply Agreement.

2.6.4 Revenue from development contracts
When a development project is sold to a customer in the Group's ordinary course of business, the ownership of the project is typically transferred to the customer through sale of shares in a Special Purpose Vehicle (SPV). The SPV is a separate legal entity which owns the development assets of the project. Such transactions represent the ordinary trading activities of the Group and therefore the consideration receivable from the customer under the Share Purchase Agreement are recognised within revenue and the cash flows within cash generated from operations.

SPVs are often under joint ownership with an external party. These joint ventures are not treated in the same way as the SPVs solely owned by the group. When the intention is to sell the Group's share in the entity upon completion of the development phase, the sale is recognised within the Group's share of after tax profit of joint ventures and associates accounted for using the equity method; and gain on disposal of joint ventures and associates and the cash flows within cash generated from operations.

If the SPVs are intended to be held as a long-term investment with the view of generating operating revenue, the cash flows relating to the SPVs are recorded under investing activities and any income from the subsequent sale of these entities is recognised as a gain or loss on disposal of a subsidiary or joint venture, depending on the ownership.

2.6.5 Contract assets
A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.2.6 Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.7 Employee benefits

2.7.1 Short-term employee benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised at the statement of financial position date for any material remaining obligations to employees.

2.7.2 Annual bonus plans
The Group operates an annual bonus plan for employees. An expense is recognised in the income statement when the Group has a legal or constructive obligation to make payments under the plans as a result of past employee services provided over the plan period and a reliable estimate of the obligation can be made.

2.7 Employee benefits (continued)

2.7.3 Long-term incentive plan
The Group operates a long-term incentive plan for senior employees. Cash payments are made over the vesting period based on performance against a targeted return on net assets for the Group. The charges under the scheme are allocated to the relevant accounting periods in which the Group benefits from the services of the employees concerned. This varies depending on the award dates, the vesting dates and the conditions imposed on continuing employment with the Group. The plan does not result in the issue of, or amounts payable depend upon, any equity instruments of Group companies and the plan is therefore not within the scope of IFRS 2, 'Share-based payments'.

2.7.4 Retirement benefits
The company's subsidiary, Renewable Energy Systems Limited participates in the defined benefits section of the Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme ("the Scheme").

2.7.4 (a) Defined contribution obligations
For defined contribution schemes the amount charged to the income statement in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

2.7.4 (b) Defined benefit obligations
The liability recognised in the statement of financial position in respect of defined benefit pension plans is the Group's agreed share of the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The Groups' agreed share of the defined benefit obligation is 10%. This is based on the agreed proportion of annual contributions to fund the scheme obligation. In the event that a contributing member to the scheme is unable to fulfil its annual contributions to the scheme, the contributions would fall due to the other contributing member. The total defined benefit liability is £182.4 million, the Group has recognised a liability of £18.2 million thus the potential non-current contingent liability is £164.2 million. The risk of this contingent liability becoming realised is considered to be remote.

The current service cost of the defined benefit plan is recognised in the income statement in employee benefit expense, except where included in the cost of an asset, and reflects the increase in the defined benefit obligation resulting from service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in "Finance costs" in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions ("remeasurements") are charged or credited in other comprehensive income in the period in which they arise.

2.8 Dividend income

Dividend income is recognised when the right to receive payment is established, and is classified within "Other income" in the income statement.

2.9 Finance income

Interest income arising on loans and receivables, and on cash and cash equivalents, is recognised when earned by the Group. Any foreign exchange gains arising on underlying assets that generate interest income are also classified as finance income.

2.10 Finance and borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance and borrowing costs are recognised in the income statement in the period in which they are incurred, and are measured using the effective interest rate method. Any foreign exchange differences arising on underlying liabilities that generate finance and borrowing costs are also classified as finance costs.

2.11 Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for any deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference is the deferred income tax liability not recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Exceptional items

Exceptional items are one off items that arise from activities that are not in the ordinary course of business. Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount, and to assist users of the financial statements with their understanding and interpretation of the performance of the Group.

2.13 Leases

The Group has applied IFRS 16 Leases from 1 November 2019. Further details of this transition and the impact on the Group financial statements is described within section 2.2.1.

The Group is a lessee of the following categories of assets:
1) Property,
2) Motor vehicles
3) Construction Plant and Equipment.

The Group implemented a single accounting model, requiring lessees to recognise assets and liabilities for all leases excluding exceptions listed in the standard. Based on the accounting policy applied the Group recognises a right of use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right of use assets are initially measured at cost, which comprises:
- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets.

After the commencement date the right of use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Depreciation is calculated using the straight-line method over the estimated useful lives. The predominant estimated useful lives are as follows:

Land	11 years
Buildings	6 years
Motor vehicles	3 years
Plant and equipment	2 years

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:
- fixed payments, less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors and are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract.

The lease term determined by the Group comprises:
- non-cancellable period of lease contracts,
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option,
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

After the commencement date the Group measures the lease liability by:
- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect any remeasurement or lease modifications.

In the prior year, the Group applied IAS 17 whereby the following accounting policies were followed:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals payable are charged to the income statement on a straight-line basis over the period of the lease.

2.13 Leases (continued)

For some operating lease rentals for land on which the Group's wind farms are situated, a portion of lease rentals are based on a contractual percentage of revenue generated by the wind farm. These contingent lease rentals are charged to the income statement as the related revenue is generated and the lease rental obligation is incurred.

2.14 Property, plant and equipment (PP&E)

PP&E is stated at historical cost net of depreciation and any provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Wind, solar PV and energy storage assets which are to be retained by the Group are capitalised incrementally throughout the construction phase and depreciated from the point when the assets are first energised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliablv.

2.14.1 Depreciation
Land is assumed to have an infinite useful life and therefore is not depreciated. PP&E other than freehold land is depreciated over the useful economic lives on a straight-line basis at the following rates per annum:

Wind and solar PV farms	4% to 5%
Energy storage plants	10%
Freehold buildings	2%
Short leasehold land and buildings	20%
Fixtures and fittings	20%
Other plant and equipment	20% to 33%

Assets in the course of construction are not depreciated. Depreciation begins once the asset is energised and available for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.16).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised on a separate line item in the income statement.

2.15 Intangible assets

2.15.1 Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred (which includes cash paid and payable, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree) over the fair value of the identifiable net assets acquired. If the total of consideration transferred is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase (also known as "negative goodwill"), the difference is recognised directly in the income statement. Goodwill arising on the acquisition of associates or joint ventures is included in the carrying amount of those investments.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units that are expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash generating unit containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.15 Intangible assets (continued)

2.15.2 Other intangible assets
Other separately acquired intangible assets are shown at historical cost. Other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Other intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of other intangibles over their estimated useful lives of 1 to 15 years.

2.16 Impairment of non-current assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Non-current assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.17 Financial assets

There are three classifications of financial assets under IFRS 9: assets held at amortised cost, assets held at fair value through the profit and loss (P&L) and assets held at fair value through other comprehensive income (OCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.17.1 Fair value through the P&L
Financial assets classified as fair value through the P&L are those acquired principally for the purpose of selling the financial asset in the short term. Derivatives are also categorised as fair value through the P&L unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Financial assets classified as fair value through the P&L are initially recognised at their fair value, and transaction costs are expensed in the income statement. Gains or losses arising from changes in the fair value are presented in the income statement in the period in which they arise and are included within 'Other net gains/(losses)', or 'Finance costs' in the case of interest rate swaps used as an economic hedge of interest arising on borrowings.

2.17.2 Amortised cost
Non-derivative financial assets held to collect contractual cash flows and are not quoted in an active market are classified and held at amortised cost. These assets are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Group's financial assets measured at amortised cost comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (notes 2.21 and 2.22).

2.17.3 Equity investments
Equity investments are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Under IFRS 9, equity investments are measured at fair value and changes to the fair value are recorded in the income statement unless an irrevocable election is made to record changes to the fair value in other comprehensive income. On disposal of the investment the cumulative change in fair value must remain in other comprehensive income and not recycled to the profit or loss. However there is the ability to transfer amounts between reserves within equity.

Both quoted and unquoted equity investments are to be initially measured at fair value. All equity investments must be measured at fair value using the framework within IFRS 13 Fair Value Measurement.

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2.17 Financial assets (continued)

The Group has elected to recognise movements in the fair value of equity investments in other comprehensive income under IFRS 9. As a result fair value movements are recorded within other comprehensive income along with gains or losses on disposal of the investments.

Dividends on equity investments are recognised in the income statement as part of "Other income" when the Group's right to receive payment of the dividend is established.

2.17.4 Derecognition of financial assets
Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.18 Impairment of financial assets

2.18.1 Financial assets carried at amortised cost - loans and receivables, cash and cash equivalents
Financial assets measured at amortised cost are impaired using the expected credit loss (ECL) model under IFRS 9. Under the ECL model credit losses are recognised based on the forecasted probability of a credit loss occurring using historic, current and forward-looking information on the debtor, thus resulting in the earlier recognition of credit losses.

The Group assesses whether there is objective evidence that a financial asset or group of financial assets may become impaired at each reporting date. If there is a significant change to the credit risk of the financial instrument since initial recognition, the Group will recognise an impairment amount equal to the lifetime expected credit losses. If there has been a small but insignificant increase in the credit risk on a financial instrument since initial recognition, the Group will recognise an impairment amount equal to the 12-month expected credit losses.
Evidence of impairment may include indications that a debtor, group of debtors, or other counterparty to the financial asset is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets measured at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, including future credit losses that are likely to be incurred, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the credit risk decreases after recognising the lifetime expected credit losses, the Group will adjust the impairment to equal an amount equal to the 12-month expected credit losses.

All impairments are recognised in the income statement as an impairment gain or loss.

2.18.2 Financial assets classified as equity investments
The Group assesses at the end of each reporting period whether there is objective evidence that an equity investment is impaired. For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the income statement on equity investments are not reversed through the consolidated income statement.

2.19 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to reduce exposure to interest rate and foreign currency movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives, including embedded derivatives that are not closely related to the host contract, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group does not apply hedge accounting on derivative financial instruments. Therefore, the gain or loss on the instruments is recognised directly in the income statement within "Other net gains / (losses)".

2.20 Inventories including construction and service contracts

The recognition of uninstalled materials such as wind turbines are included within inventories until the assets have been commissioned.

Work-in-progress is measured at the lower of cost and fair value less costs to sell and arises principally on those contracts for services provided by the Group which feature revenue and related cost recognition on substantial completion of the contract. Amounts included within work-in-progress represent the cumulative costs incurred on specific contracts, net of amounts recognised in cost of sales by applying the percentage completion method and less provision for anticipated future losses on contracts.

The carrying amount of inventory is assessed for impairment at each reporting date and provision is made to reduce the carrying amount to recoverable amount for all known or expected losses on stocks or work in progress.

2.21 Trade receivables

Trade receivables are amounts due from customers for energy sold or services performed and invoiced in the ordinary course of business. If collection is expected in one year or less they are classified as current assets, or 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 measured under the expected credit loss (ECL) model outlined in section 2.18.1.

2.22 Assets held for sale

The Group classifies assets as held for sale once they meet the criteria required under IFRS 5 - Non-current assets held for sale and discontinued operations. The criteria are as follows: the value from the assets will be recovered through sale rather than through use through a highly probable sale or sale plan and the assets are available for immediate sale in current condition.

Assets classified as held for sale are measured at the lower of their cost or net realisable value. Any fixed assets classified as held for sale are not depreciated from the point their sale was highly probable.

If the Group of assets reclassified to assets held for sale represent a major line of business or geographical area, they will be classified as a discontinued operation under IFRS 5 and any profit or loss recognised from this group of assets in the year will be separately disclosed on the income statement.

2.23 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. The Company classifies cash held in term deposit accounts and notice accounts, where the term or notice period is longer than three months, as other receivables.

For the purposes of the cash flow statement, the Group classifies cash flows relating to finance income and costs as operating cash flows.

2.24 Trade payables

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

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

2.25 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of loan issue and other directly attributable transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Included in the finance charge resulting from application of the effective interest rate method are amounts arising from the expensing of deferred loan issue and other directly attributable transaction costs, which the Group chooses to disclose separately as "amortisation of loan issue costs" to aid the understanding of readers of the financial statements.

2.26 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.27 Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions with a maturity greater than one year are determined by discounting to present value the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.27.1 Decommissioning costs
Provisions for decommissioning are recognised in full when the related facilities are constructed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value at the risk free rate, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

2.28 Share capital

Ordinary shares are classified as equity.

Material incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any material directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2.29 Dividend distribution

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

2.30 Segmental disclosures

The Group is not required to apply IFRS 8 and has elected not to voluntarily prepare segmental disclosures.

3 Critical accounting estimates and judgements

In applying the Group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3.1.1 Sale of wind and solar farm and battery storage subsidiaries - assets held for sale and discontinued operations (Judgement)
The Group's strategic business operating model includes the development of wind and solar farm and battery storage installations. Each separate wind and solar farm and battery storage installation development is established through separate legal entities, which are controlled by the Group. Management is required to exercise judgement regarding the status of any offers and negotiations for sale of a particular project at the reporting date, the likelihood of completing such sales and the impact on the Group's ongoing business from the disposal of one or more subsidiary entities. Where in management's judgement the criteria in IFRS 5 relating to the classification of non-current assets and disposal Groups as held for sale is satisfied, the assets and liabilities of such subsidiaries are classified as held for sale. In management's judgement, the Group's strategic business operating model will mean that developments will arise from time to time, but it is not likely that (i) any one subsidiary will represent a major separate line of business to the Group, or that (ii) a Group of subsidiaries will be disposed of under a single coordinated plan, and accordingly disposals of subsidiaries are not considered to be discontinued operations of the Group.

3.1.2 Development and pre-contract costs (Judgement)
The Group incurs a variety of costs in the investigative and preliminary phases of wind and solar farm projects, including land options costs, geological and ecological studies, grid studies, energy yield assessments and engineering costs. Judgement is required in determining whether or not the recoverability of these development phase costs is probable, either from future operation by the Group of resulting infrastructure assets that it will own or through recovery from revenues earned under DSA and EPC contracts with third parties. In exercising those judgements, management takes into account the regulatory approval and consent regimes that apply in the various territories in which the Group operates, along with experience of actual recoveries, if any, from other similar previous circumstances in those territories. In the Group's judgement it is appropriate to expense non-refundable development and pre-contract costs incurred in the early stages of a development, as recovery cannot be considered probable until a relatively late stage in the development phase following approval by authorities and execution of contracts with third parties.

3.1.3 Warranty provisions (Judgement)
Following completion of a construction contract, the majority of customers enter into a warranty period, for which the terms are unique to each contract. Warranty periods are typically 2-5 years, with a broader warranty for the first two years and a more limited warranty for the remaining periods. The Group accrue a warranty provision upon substantial completion of each construction contract based on the estimated warranty expense, which is usually a percentage of the contract value.

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3.1 Critical judgements in applying the Group's accounting policies (continued)

3.1.4 Construction provisions (Judgement and Estimate)
The Group's revenue recognition and profit recognition accounting policies (see note 2.6.3) are critical in valuing the construction work performed during the financial year. Estimations and judgements are required to assess variations to the original contracted revenue, including changes in scope and any potential liquidated damages that may be claimed by customers. Estimates are required to forecast the total cost to complete a construction project in line with contracted requirements. As at 31 October 2020, the Group's contract assets, contract liabilities and contract provisions amounted to £99.8m, £160.5m and £20.2m respectively as set out in Notes 22 and 28. Within the portfolio of Construction contracts, there are a limited number of long-term contracts where the Group has incorporated significant judgements over contractual entitlements relating to recoveries of claim income from customers and liquidated damages levied by the customer. The Group has considered the nature of the estimates and judgements in recognising the financial performance of these construction projects and concluded, due to the contractual nature, there are two extreme ends on the range of possible outcomes for each project (claims in excess of any contractual limits have been capped). Whilst these extremes in any contract may be possible albeit remote, the Group has recognised variable revenues on these contracts to the extent it is considered highly probable that a significant reversal will not occur in a future period. There are three projects where significant judgements have been required:

- Project A has unapproved variations to original contracted revenue in addition to potential liquidated damages which could result in an increase of £7million or decrease of £20million to the project revenue and margin.
- Project B has unapproved variations to original contracted revenue in addition to potential liquidated damages which could result in an increase of £11million or decrease of £4million to the project revenue and margin.
- Project C has unapproved variations to original contracted revenue in addition to potential liquidated damages which could result in an increase of £15million or decrease of £8million to the project revenue and margin.

3.2.1 Recoverability of deferred tax assets (DTAs) (Estimate)
The Group recognises deferred tax assets arising from deductible temporary differences and from past losses. In assessing the recoverability of these DTAs the Group is required to estimate the likely future taxable profits of subsidiaries within the Group, the extent to which losses in one subsidiary can be offset against profits in other subsidiaries and the impact of any changes in tax legislation or rates impacting the carrying value of DTAs. At 31 October 2020, the Group has estimated that DTAs of £12.8m will be recoverable and has recognised this amount as an asset, but has estimated that a further £76.9m of DTAs are not probable of being recognised in the foreseeable future with this amount not recognised as an asset.

3.2.2 Revenue and margin recognition (Judgement and estimate)
The Group's revenue recognition and margin recognition policies are set out in note 2.6. These policies require forecasts of the outcomes of long-term construction service contracts. Revenue and margins are calculated based on the percentage completion of the contract, which is based on costs incurred as a proportion of total contract costs, as this indicates the proportion of the performance obligation complete. All costs associated with each contract are estimated using cost quotations specific to the contract. The range of potential outcomes as a result of uncertain future events could result in a materially positive or negative swing to profitability and cash flow. The group updates its total cost estimate whenever new information arises.

There may be conditions stated in the construction contract which may lead to variable consideration. Variable consideration will impact the revenue recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Conditions stated within construction contracts may also impact the timing of when performance obligations have been met and thus when revenue can be recognised. The Group considers the contractual obligation for the receipt of income when determining the recognition of revenue based on the percentage complete. Where the completion of performance obligations exceeds a year, revenue is adjusted to reflect the time value of money.

4 Revenue

	2020 £'000	2019 £'000
Sale of electricity	1,480	22,392
Revenue from service agreements	38,812	37,745
Revenue from construction and development contracts	929,892	775,096
	970,184	835,233
UK	40,444	48,711
Rest of Europe	119,268	109,642
The Americas	804,452	670,723
Australia	6,020	6,157
	970,184	835,233

Transaction price allocated to the remaining performance obligations (excluding joint ventures and associates)

In accordance with IFRS 15 Revenue from Contracts with Customers, the Group is required to disclose the remaining transaction price allocated to performance obligations not yet delivered. Below is a summary of the remaining transaction price to be recognised in future years split by revenue stream.

	2021 £'000	2022 £'000	2023 onwards £'000
Revenue from construction and development contracts	456,172	150,276	-
Revenue from service agreements	18,381	12,424	112,756

The total transaction price allocated to the remaining performance obligations represents the contracted revenue to be earnt by the Group for distinct goods and services which the Group has promised to deliver to its customers. These include promises which are partially satisfied at the period end or those which are unsatisfied but which the Group has committed to providing. In deriving this transaction price, any element of variable revenue is estimated at a value that is highly probable not to reverse in the future.

5 Expenses

	2020 £'000	2019 £'000
Operating (loss)/ profit is stated after charging / (crediting) the following:		
Inventory expensed in cost of sales	47,110	16,814
Employee benefit expense (note 6)	240,330	195,380
Depreciation and impairment charges on PPE (note 14)	14,029	15,060
Depreciation and impairment charges on right of use assets (note 15)	10,258	-
Amortisation of intangibles (note 16)	310	415
(Profit) / loss on disposal of PPE	(337)	(1,301)
Loss allowance on trade receivables (note 21)	601	-
Foreign exchange on principal trading activities (note 12)	(3,035)	1,686
Operating lease payments:		
- Minimum lease payments	307	3,421
- Contingent rentals paid	-	162

The 2019 figure for inventory expensed in cost of sales has been restated from £457,000 to £16,814,000 as it did not comply with the reporting standard, IFRS 15 Revenue from contracts with customers, which was adopted in 2019.

Auditor's remuneration

Services provided by the company's auditor and its associates

During the year the group (including its overseas subsidiaries) obtained the following services from the company's auditor and its associates:

	2020 £'000	2019 £'000
Fees payable to company's auditor and its associates for the audit of parent company and consolidated financial statements	197	211
Fees payable to company's auditor and its associates for other services:		
- The audit of company's subsidiaries	389	229
- Audit-related assurance services	4	6
- Other services	1	50
- Tax compliance service	291	323
	882	819
Audit fees	586	440
Non-audit fees	296	379
	882	819

6 Employees

	2020	2019
	£'000	£'000
Employee cost expense		
Wages and salaries	213,639	167,984
Social security costs	19,171	17,860
Long-term incentive plan	1,631	426
Pension costs accounted for as defined contribution plans (note 29)	5,529	4,590
Pension costs accounted for as defined benefit plans (note 29)	360	4,520
	240,330	195,380

Average monthly number of people employed

The average number of employees, including the directors, during the year was:

Engineering, technical and project management	2,423	2,137
Management and administration	286	260
	2,709	2,397

7 Profit on disposal of subsidiaries

7.1 Disposal of generation assets

During the year-ended 31 October 2020, the Group disposed of 100% of its investment in five generation special purpose vehicles (SPVs) in France:

	Grandbois	Lacombe	Marsanne	Pays de St Seine	La Salesse	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net assets disposed of	356	(1,359)	5,202	3,778	331	8,308
Cash flows in respect of the sale comprised:						
Cash consideration	4,702	12,755	8,877	29,362	28,469	84,165
Liability repayments	(3,011)	(7,404)	(3,121)	(24,099)	(16,950)	(54,585)
Net consideration						29,580
Profit on disposal of subsidiaries						21,272

Liability repayments relate to the repayment of loans held by the SPVs which were repaid by the Group per the sale agreement.

During the year the Group also disposed of two generation SPVs in Turkey:

	Misya	Kimmer	Total
	£'000	£'000	£'000
Net assets disposed of	954	940	1,894
Cash flows in respect of the sale comprised:			
Cash consideration	1,549	1,549	3,098
Profit on disposal of subsidiaries:			1,204

7.2 Disposal of development assets

The Group also disposed of its 75% shareholding in its subsidiary Avel Vor that contained an interest in a Development Asset which management considers is in the course of the Group's ordinary activities:

	Avel Vor
	£'000
Net assets disposed of	18,469
Cash flows in respect of the sale comprised:	
Cash consideration	66,062
Sale related costs	(2,211)
Net consideration	63,851
	45,382

The net cash consideration from the sale of Avel Vor has been included as an adjustment within management's adjusted cashflow as the sale relates to the disposal of a development asset, which is considered part of the Group's operating activities.

Total profit on disposal of subsidiaries:	67,858

8 Other net gains

	2020 £'000	2019 £'000
Derivative financial instruments at fair value through profit or loss:		
Fair value gains / (losses)	835	(855)
Other gains	260	1,039
	1,095	**184**

9 Exceptional items

Items that are material either because of their size or their nature, or that are non recurring are considered as exceptional items and are presented within the line items to which they best relate.

An analysis of the amount presented as exceptional items in these financial statements is given below.

	2020 £'000	2019 £'000
Operating items:		
Changes to defined benefit pension scheme	-	3,810
Liquidation of key supplier	(412)	17,208
Other	371	-
	(41)	**21,018**

The current year exceptional items relate to
- Liquidation of key supplier: During the prior year a key turbine supplier went into administration. As a result additional costs were incurred by the group due to lost deposits, renegotiation of turbine supply agreements with new suppliers and costs associated with delays to projects, which were considered exceptional. The current year balance relates recovered amounts previously written off.

- Changes to defined benefit pension scheme: the additional charge related to the correction of the schemes' liabilities in line with the Barber retirement age equalisation ruling. In consultation with independent actuaries, the Group has estimated the financial effect of equalising the retirement age to increase the Group accounting pension liability by £3.8m. This was recognised as a past service cost, and presented as an exceptional item in the income statement.

- Other - includes restructuring costs in Germany.

10 Other income

	2020 £'000	2019 £'000
Dividend receivable from available-for-sale equity investments	218	170
Other income	1,466	453
	1,684	**623**

Other income in the current year includes covid job retention scheme income of £555k and £365k relates to expense reimbursement on a project managed in the United States.

11 Net finance (costs) / income

	2020 £'000	2019 £'000
Finance costs:		
- Borrowings	(1,060)	(2,612)
- Provisions: unwinding of discount (note 28)	-	(33)
- Net foreign exchange losses on financing activities (note 12)	-	(2,127)
- Loans from related parties	-	(33)
- Interest payable under the defined benefit pension scheme (note 29)	(1,268)	(1,564)
- Other interest payable	(1,565)	(1,213)
- Amortisation of debt issue costs	(204)	(347)
- Interest on obligations under leases	(1,609)	(297)
Finance costs	**(5,706)**	**(8,226)**
Finance income:		
- Interest income on bank and other short-term deposits	1,562	984
- Interest income from the defined benefit pension scheme (note 29)	960	1,214
- Other interest receivable	528	148
- Net foreign exchange gains on financing activities (note 12)	1,791	313
Finance income	**4,841**	**2,659**

12 Net foreign exchange gains / (losses)

The exchange differences credited / (charged) to the income statement are included as follows:

	2020 £'000	2019 £'000
Administrative expenses (note 5)	3,035	(1,686)
Finance income and costs (note 11)	1,791	(1,814)
	4,826	(3,500)

13 Income tax charge

	2020 £'000	2019 £'000
Current tax:		
Current tax on profit/(loss) for the year	6,538	(688)
Adjustments in respect of prior years	(453)	44
Total current tax	6,085	(644)
Deferred tax (note 20):		
Origination and reversal of temporary differences	1,000	18,613
Adjustments in respect of prior years	413	1,182
Total deferred tax	1,413	19,795
Income tax charge	7,498	19,151

The tax on the Group's profit before tax differs from the theoretical amount that would arise from applying the UK tax rate to (loss) / profits of the consolidated entities as follows:

	2020 £'000	2019 £'000
Profit / (loss) before tax	39,493	(64,027)
Tax calculated at UK domestic tax rate 19% (2019: 19%):	7,504	(12,165)
Tax effects of:		
– Effect of overseas tax rates	5,244	(1,105)
– Income not subject to tax	(26,219)	(8,742)
– Expenses not deductible for tax purposes	2,276	3,758
– Recognition of previously unrecognised tax losses	(1,531)	2,675
– Current year items for which no deferred income tax asset was recognised	17,196	17,059
– Renewable energy production tax credits	-	(3)
– De-recognition of deferred tax asset	-	16,888
– Remeasurement of deferred tax – change in tax rates	-	11
– Adjustments in respect of prior years	3,028	775
Tax charge relating to profit / (loss) before tax	7,498	19,151

The tax charge relating to components of other comprehensive income is as follows:

	2020		
	Before tax £'000	Tax (charge) /credit £'000	After tax £'000
Fair value gains on equity investments	(683)	-	(683)
Profit on disposal of equity investments	847	(21)	826
Re-measurements of post-employment benefit liabilities (note 29.1)	(2,201)	418	(1,783)
Currency translation differences	(4,235)	(835)	(5,070)
Other comprehensive loss	**(6,272)**	**(438)**	**(6,710)**
Current tax		-	
Deferred tax (note 20)		(438)	
		(438)	

13 Income tax charge (continued)

	2019		
	Before tax £'000	Tax (charge) /credit £'000	After tax £'000
Fair value gains on equity investments	559	-	559
Re-measurements of post-employment benefit liabilities (note 29.1)	98	-	98
Currency translation differences	(92)	-	(92)
Other comprehensive income	**565**	**-**	**565**
Current tax		-	
Deferred tax (note 20)		-	
		-	

14 Property, plant and equipment

	Note	Freehold land and buildings £'000	Leasehold land and buildings £'000	Fixtures and fittings £'000	Plant and equipment £'000	Assets in course of construction £'000	Total £'000
Cost:							
At 1 November 2018		14,246	2,403	8,558	254,669	3,106	282,982
Exchange rate adjustments		(30)	(19)	(138)	(5,141)	(14)	(5,342)
Additions		-	412	1,762	15,358	1,830	19,362
Disposals		(1,766)	-	(130)	(65,231)	(1,517)	(68,644)
Reclassification to assets held for sale		-	-	-	(133,428)	(3,405)	(136,833)
Reclassification		205	-	-	772	-	977
At 31 October 2019		12,655	2,796	10,052	66,999	-	92,502
Exchange rate adjustments		18	2	101	(174)	-	(53)
Additions		712	732	1,233	5,378	-	8,055
Disposals		(29)	(299)	(5,154)	(6,057)	-	(11,539)
Impairment		(49)	-	-	-	-	(49)
At 31 October 2020		13,307	3,231	6,232	66,146	-	88,916
Depreciation:							
At 1 November 2018		6,887	1,576	6,921	151,626	-	167,010
Exchange rate adjustments		-	(11)	(94)	(2,793)	-	(2,898)
Charge for the year		123	266	219	14,452	-	15,060
Disposals		-	-	-	(52,009)	-	(52,009)
Reclassification to assets held for sale		-	-	-	(72,619)	-	(72,619)
Reclassification		-	-	-	12	-	12
Impairment reversal		-	-	-	(6,804)	-	(6,804)
At 31 October 2019		7,010	1,831	7,046	31,865	-	47,752
Exchange rate adjustments		-	-	27	220	-	247
Charge for the year		289	186	572	12,982	-	14,029
Disposals		-	(219)	(4,336)	(1,923)	-	(6,478)
At 31 October 2020		7,299	1,798	3,309	43,144	-	55,550
Net book value:							
At 31 October 2020		**6,008**	**1,433**	**2,923**	**23,002**	**-**	**33,366**
At 31 October 2019		5,645	965	3,006	35,134	-	44,750
At 31 October 2018		7,359	827	1,637	103,043	3,106	115,972

Assets in the course of construction are reclassified as plant and equipment when energisation is achieved and the assets commence exporting electricity to the grid network.

Included within plant and equipment are operating wind assets owned and operated by the Group with a net book value of £2,317,000 (2019: £7,521,000).

15 Right of use assets

The Group transitioned to IFRS 16 Leases on 1 November 2019. Under the new standard, each lease within the scope of the standard must be recognised as a right of use asset at the present value of future rental payments plus any lease incentives, initial direct costs incurred by the lessee, advance payments and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets.

	Land and buildings £'000	Vehicles £'000	Plant and Equipment £'000	Total £'000
Cost:				
At IFRS 16 transition date	9,052	8,140	3,168	20,360
Additions	5,801	10,739	1,390	17,930
Disposals	(390)	(164)	(702)	(1,256)
At 31 October 2020	14,463	18,715	3,856	37,034
Depreciation:				
At IFRS 16 transition date	-	-	-	-
Charge for the year	2,574	4,742	2,942	10,258
Disposals	(51)	(51)	(702)	(804)
At 31 October 2020	2,523	4,691	2,240	9,454
Net book value:				
At 31 October 2020	11,940	14,024	1,616	27,580
At IFRS 16 transition date	9,052	8,140	3,168	20,360

16 Intangible assets

	Other intangibles £'000	Goodwill £'000	Total £'000
Deemed cost:			
At 1 November 2018	1,116	5,706	6,822
Exchange rate adjustments	(24)	-	(24)
Additions	3,976	3,190	7,166
At 31 October 2019	5,068	8,896	13,964
Exchange rate adjustments	(12)	-	(12)
Disposals	(1,089)	-	(1,089)
Impairments	(682)	(14)	(696)
At 31 October 2020	**3,285**	**8,882**	**12,167**
Accumulated amortisation:			
At 1 November 2018	263	1,073	1,336
Exchange rate adjustments	(4)	-	(4)
Charge for the year	415	-	415
At 31 October 2019	674	1,073	1,747
Exchange rate adjustments	(6)	-	(6)
Charge for the year	310	-	310
Disposals	(368)	-	(368)
At 31 October 2020	**610**	**1,073**	**1,683**
Net book value:			
At 31 October 2020	**2,675**	**7,809**	**10,484**
At 31 October 2019	4,394	7,823	12,217
At 31 October 2018	853	4,633	5,486

16 Intangible assets (continued)

Impairment tests for goodwill

Management reviews the business performance based on geography and type of business. The cash generating units in relation to the goodwill are RES France SAS and UK Asset Management attained as part of the acquisition of RES White. The following is a summary of goodwill allocated to each cash generating unit:

2020

	£'000
RES France SAS	4,633
UK Asset Management	3,176
	7,809

2019

	£'000
RES France SAS	4,633
UK Asset Management	3,190
	7,823

As part of management's impairment assessment, the recoverable amount of RES France SAS has been determined on the approved three-year forecast based on past performance and management's expectations of market development.

Management have also concluded that the three-year forecasted profits of the UK Asset Management Business do not indicate any reason to impair the goodwill recognised further than the £14,000 impairment recognised above, which was as a result of the remeasurement of the contingent consideration associated with the purchase of RES White Ltd due to the contracted criteria not supporting the higher value.

17 Investments in associates and joint ventures

	2020 £'000	2019 £'000
The amounts recognised in the statement of financial position are as follows:		
Joint ventures	145	11,731
Associates	432	5,352
As at 31 October	**577**	**17,083**
The amounts recognised in the income statement are as follows:		
Joint ventures	41,932	10,587
Associates	3,463	4,626
For the year ended 31 October	**45,395**	**15,213**

Amounts recognised in the income statement includes: (i) share of gains and losses of associates and joint ventures related to project development activities within the entity; (ii) gains and losses from project disposals within the associate or joint venture; and (iii) gains and losses on disposal of the Group's equity interests in joint ventures or associates.

During the year, the Group has recognised a gain £41.8m on disposal of its investment in the Murra Warra 2 Project. This gain excludes historical development spend which has been expensed as incurred in line with the Group's accounting policy. The Group also recognised a gain from the sale of a development project within a joint venture in Canada of £3.6m. The remaining balance relates to a gain on the disposal of the Group's share in Roaring Fork of £0.4m and other gains and losses incurred by the Group's joint ventures and associates.

Investment in joint ventures and associates

The identities and other information on all joint ventures and associates of the group as at 31 October 2020 are included within the separate Company financial statements of the parent in note 12 'Subsidiaries and other related undertakings'.

Set out below is information on those joint ventures and associates of the group which, in the opinion of the directors, are material to the group.

Name of entity	Place of business/ country of incorporation	% of ownership interest	Nature of relation-ship	Measure-ment method
Associates:				
SPR Development Holdings LLC	USA	49%	Note 1	Equity

17 Investments in associates and joint ventures (continued)

Description of the nature of activities of material joint ventures and associates:

Note 1: SPR Development Holdings LLC ("SPR") is a USA registered entity and a venture between RES Americas and Southern Renewable Partnerships. RES Americas does not control SPR but retains significant influence over a number of major decisions including accepting a project, disposal of a project, abandoning a project or entering into or modifying any offtake agreement, interconnection agreement, transmission agreement, or PPA.

None of the joint ventures and associates in which the group has interests have equity instruments that have a quoted market price.

Summarised financial information of material joint ventures and associates

The following information reflects the amounts presented in the financial statements of the associates and joint ventures (and not Renewable Energy Systems Holdings Limited's share of those amounts) adjusted for differences in accounting policies between the group and the associates and joint ventures.

Summarised financial information of material joint ventures

Set out below is summarised financial information of the joint ventures of the Group in the prior year accounted for using the equity method and which, in the opinion of the Directors, were material to the Group.

	Roaring Fork 2019
	£'000
Cash and cash equivalents	9,855
Current assets, other than cash	65
Current assets	9,920
Non-current assets	41,126
Total assets	51,046
Current financial liabilities (excluding trade payables)	1
Other current liabilities (including trade payables)	802
Current liabilities	803
Net assets	50,243
Selected income statement information	
Revenue	68,149
Operating profit	21,275
Depreciation and amortisation	(77)
Profit before tax	21,198
Income tax expense or income	-
Net profit	21,198
Total comprehensive income	21,198
Dividends or other distribution received from the joint venture	25,199

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's prior year interest in material joint ventures:

	Roaring Fork 2019
	£'000
Net assets at start of year	87,814
Capital (distributions)	(57,663)
Profit for the year	21,198
Foreign exchange differences	(1,106)
Net assets at end of year	50,243
Share of net assets at end of year	13,588
Carrying value by the Group at end of year	13,588

There are no commitments or contingent liabilities relating to the Group's interest in the associates or joint ventures.

17 Investments in associates and joint ventures (continued)

Summarised financial information of material associates

Set out below is summarised financial information of the associates of the Group, which, in the opinion of the Directors, are material to the Group.

	SPR	
	2020	**2019**
	£'000	**£'000**
Current assets	46,752	5,522
Current liabilities	(5,182)	(789)
Revenue	-	64,506
Pre-tax (loss)/profit from continuing operations	-	(1,364)
Income tax (expense) / income	-	-
Post-tax (loss)/profit from continuing operations	-	(1,364)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	-	**(1,364)**
Dividends receivable from associate	4,691	38,238

The difference between RES' share of the joint venture and associate net assets to the investment value held on RES' balance sheet are due to the different accounting treatment of capitalised work in progress in the books of the joint venture or associate.

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in material associates:

	SPR	
	2020	**2019**
	£'000	**£'000**
Net assets at start of year	4,732	204,430
Capital distributions	36,837	(195,759)
Loss for the year	-	(1,364)
Foreign exchange differences	-	(2,575)
Net assets at end of year	**41,569**	**4,732**
Share of net assets at end of year	432	1,373
Share of net assets attributable to other partner	41,137	3,359
Net assets at end of year	**41,569**	**4,732**

Summarised financial information for all other immaterial joint ventures and associates in aggregate

Set out below is the aggregate summarised financial information for all associates and joint ventures which are accounted for using the equity method but which are individually considered to be immaterial to the Group.

	Joint ventures		Associates	
	2020	**2019**	**2020**	**2019**
	£'000	**£'000**	**£'000**	**£'000**
Aggregate carrying amount of individually immaterial entities	145	2,122	-	-
Aggregate amount of share of:				
Loss from continuing operations	-	129	-	-
Total comprehensive loss	-	129	-	-

18 Equity investments

	2020 £'000	2019 £'000
At start of year	4,155	2,607
Additions	701	989
Disposals	(2,915)	-
Net (losses) / gains recognised in other comprehensive income	(683)	559
At end of year	**1,258**	**4,155**
Less current portion	-	-
Non-current portion	**1,258**	**4,155**

Equity investments include the following:

	2020 £'000	2019 £'000
Listed equity securities – UK	1,258	4,155
Total	**1,258**	**4,155**

Equity investments are denominated in the following currencies:

	2020 £'000	2019 £'000
UK pound sterling	1,258	4,155
Total	**1,258**	**4,155**

Equity investments comprise a 0.1% (2019: 0.2%) shareholding in the shares of The Renewables Infrastructure Group "TRIG", a listed renewables fund.

The maximum exposure to credit risk is the carrying amounts of the financial assets at the reporting date.

19 Derivative financial instruments

	2020 Liabilities £'000	2019 Liabilities £'000
Forward foreign exchange contracts	(66)	(893)
Total	**(66)**	**(893)**
Less non-current portion:	-	-
Current portion	**(66)**	**(893)**

The group has decided not to apply hedge accounting.

Forward foreign exchange contracts
The notional principal amounts of the outstanding forward foreign exchange contracts at 31 October 2020 were £28,326,000 (2019: £45,975,000) and they have a range of maturity dates through to 2021 (2019: 2020). These forward contracts provide an economic hedge against the Group's turbine and battery storage construction payments predominantly denominated in Euros in 2020.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

None of the Group's derivative instruments are traded in active markets, and are fair valued using inputs (other than quoted prices) that are observable directly or indirectly - i.e. level 2 hierarchy. Valuation techniques are used, along with input from third party financial institutions, using observable market data where it is available, such as yield curves used as an input to interest rate swap valuations and forward exchange rate data for forward foreign exchange derivatives. The Group does not consider that any counterparties to derivative instruments have credit risk that materially impacts the calculated fair value of the instruments.

20 Deferred tax

The analysis of net deferred tax assets and deferred tax liabilities is as follows:

	2020 £'000	2019 £'000
At start of year	10,657	34,474
Exchange differences	(5)	(317)
Income statement debit (note 13)	(1,413)	(19,795)
Tax (debit)/credit relating to components of other comprehensive income (note 13)	(438)	-
Debited to assets held for sale	-	(3,029)
Debited to intangibles	-	(676)
At end of year	**8,801**	**10,657**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	**Non-current liabilities £'000**
At 1 November 2018	(13,525)
Credited to the income statement	11,471
Debited to intangibles	(676)
At 31 October 2019	(2,730)
Debited to the income statement	(1,271)
At 31 October 2020	**(4,001)**

Deferred tax assets	**Tax losses £'000**	**Other £'000**	**Total £'000**
At 1 November 2018	25,402	22,597	47,999
Credited / (charged) to the income statement	(23,300)	(7,966)	(31,266)
Debited to assets held for sale	-	(3,029)	(3,029)
Exchange difference	33	(350)	(317)
At 31 October 2019	2,135	11,252	13,387
Charged to the income statement	3,260	(3,402)	(142)
Debited to other comprehensive income	-	(438)	(438)
Exchange difference	28	(33)	(5)
At 31 October 2020	**5,423**	**7,379**	**12,802**

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of £76,863,000 (2019: £67,660,000) in respect of losses amounting to £30,470,000 (2019: £38,078,000) that can be carried forward against future taxable income, other timing differences of £48,827,000 (2019: £36,579,000) and non-current assets deferred tax liability of £2,434,000 (2019 deferred tax liability: £6,997,000).

On the 31 October 2020, the UK rate of corporation tax was 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023, the main rate of corporation tax would increase to 25%. The new law had not been substantively enacted at the reporting date. As a result, existing timing differences on which deferred tax has been provided at 19% may unwind in periods subject to the 25% rate. The potential impact of this rate change is not expected to be material on the Group's deferred tax balance.

21 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	132,692	174,893
Less: impairment of trade receivables	(215)	(601)
Trade receivables – net	132,477	174,292
Prepayments	10,103	13,010
Value added tax	3,233	2,071
Corporation tax	12,105	7,070
Other receivables	40,289	39,018
Receivables from other related parties	372	25,443
	198,579	260,904
Less non-current portion: other debtors	891	18,701
Current portion	**197,688**	**242,203**

21 Trade and other receivables (continued)

Non-current receivables are due between one and five years from the end of the reporting period.

Amounts included within receivables from other related parties include a debtor due from a joint venture and an amount due from The McAlpine Partnership Trust (incorporated in the UK), which owns 98.4% of the company's shares. The identities of the Group's associates and joint ventures are set out in the accompanying separate financial statements of the parent in note 12.

Based on prior experience, an assessment of the current economic environment and a review of the financial circumstances of individual customers, the Directors believe no further credit risk provision is required in respect of trade receivables. The Directors consider that the carrying values of current and non-current trade and other receivables approximate their fair values.

Analysis of trade receivables	**2020**	**2019**
	£'000	**£'000**
Trade receivables can be analysed as follows:		
Amount receivable not past due	109,282	168,893
Amount receivable past due but not impaired	23,347	5,399
Amount receivable impaired (gross)	63	601
Less: impairment	(215)	(601)
	132,477	174,292

Maturity profile of trade receivables past due but not impaired

	2020	**2019**
	£'000	**£'000**
31 - 60 days	9,913	1,766
61 - 90 days	1,217	110
91 - 120 days	653	106
120+ days	11,564	3,417
	23,347	5,399

Movement in the provision for the impairment of trade receivables

	2020	**2019**
	£'000	**£'000**
At start of year	(601)	(1,557)
Provision for receivables impairment	(215)	-
Receivables written off during the year as uncollectible	601	956
At end of year	(215)	(601)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2020	**2019**
	£'000	**£'000**
UK pound sterling	19,381	25,042
Euros	37,774	42,491
US dollar	124,616	174,682
Other currencies	16,808	18,689
	198,579	**260,904**

22 Contract assets and liabilities

The timing of revenue recognition, billings and cash collection results in contract assets (unbilled amounts) and customer advances and deposits (contract liabilities) on the Group's balance sheet. For services in which revenue is earned over time, amounts are billed in accordance with contractual terms, either at periodic intervals or upon achievement of contractual milestones. The timing of revenue recognition is measured in accordance with the progress of delivery on a contract which could either be in advance or in arrears of billing, resulting in either a contract asset or a contract liability.

Contracts in progress at the reporting date:

Contract assets	**£'000**
At 1 November 2019	76,979
Currency translation differences	732
Transfers from contract assets recognised at the beginning of the year to receivables	(75,639)
Increase related to services provided in the year	97,708
At 31 October 2020	**99,780**

Contract liabilities	
At 1 November 2019	(97,114)
Currency translation differences	(241)
Revenue recognised against contract liabilities at the beginning of the year	95,572
Increase due to cash received, excluding amounts recognised as revenue during the year	(158,683)
At 31 October 2020	**(160,466)**

23 Inventories

	2020 £'000	2019 £'000
Work in progress	104,618	29,099
	104,618	**29,099**

24 Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	146,232	95,070
	146,232	**95,070**

	2020 £'000	2019 £'000
Cash at bank and in hand includes amounts held for restricted purposes	560	2,036

Restricted cash balances relate to cash held in non-recourse special project companies.

The maximum exposure to credit risks is the carrying amount of the financial assets.

25 Trade and other payables

	2020 £'000	2019 £'000
Trade payables	61,213	63,884
Amounts owed to related parties	2	6
Value added tax	11,885	6,999
Other payables	6,548	3,440
Accruals	80,224	96,780
Trade and other payables	**159,872**	**171,109**

Included within amounts owed to related parties are payables due to The McAlpine Partnership Trust (incorporated in the UK), which owns 98.4% of the company's shares.

26 Borrowings

26.1 Borrowings

	2020 £'000	2019 £'000
Non-current		
Other borrowings	388	7,306
Finance lease liabilities	-	1,507
	388	**8,813**
Current		
Other borrowings	1,931	84
Finance lease liabilities	-	2,108
	1,931	**2,192**
Total borrowings	**2,319**	**11,005**

Prior year borrowings included amounts settled in the year upon the sale of five operating wind farm SPVs in France.

Borrowings incur finance charges, with a range of fixed rates or floating rates applied based on interest rate indices and margins levied by the lender. Average interest rate is 2.35% (2019: 2.46%).

Total borrowings include secured liabilities (bank and collateralised borrowings) of £494,000 (2019: £502,000).

26 Borrowings (continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2020 £'000	2019 £'000
Euros	452	6,824
US dollar	1,480	3,615
Other currencies	388	566
	2,320	11,005

26.2 Net debt and capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or limit the amount of new project activity that is dependent on debt financing.

The Group monitors capital on the basis of its free cash flow.

The Group's borrowings are subject to maintaining covenants as defined by the debt funders. Management monitors the continued compliance with these covenants on a monthly or quarterly basis.

27 Lease liabilities

Under the new standard IFRS 16 Leases, each lease within the scope of the standard must be recognised as a lease liability at the present value of future rental payments.

Maturity Analysis
Amounts below are gross lease payables including interest.

	2020 £'000
Due within 1 year	11,059
Due within 2 - 5 years	18,371
Due in over 5 years	2,853
	32,283

Analysed as the following discounted liabilities:

	2020 £'000
Non-current	
Lease liabilities	17,634
Current	
Lease liabilities	10,736
	10,736
Total lease liabilities	**28,370**

28 Provisions for liabilities

	Contingent consideration payable £'000	Decommissioning £'000	Employee and office related £'000	Development and construction £'000	Total £'000
At 1 November 2018	-	16,146	1,744	17,277	35,167
Reclassification to assets held for sale	-	(3,206)	-	-	(3,206)
Disposal of subsidiaries	-	(7,845)	-	-	(7,845)
Additional provisions	546	-	115	37,956	38,617
Reversal of unused provisions	-	-	-	(6,836)	(6,836)
Unwinding of discounting factor	-	33	-	-	33
Utilised in the year	-	(1,804)	(1,695)	(5,869)	(9,368)
Foreign exchange differences on translation	-	(237)	(49)	(275)	(561)
At 31 October 2019	546	3,087	115	42,253	46,001
Less: current portion	-	-	-	(38,366)	(38,366)
Non-current portion	546	3,087	115	3,887	7,635
At 1 November 2019	546	3,087	115	42,253	46,001
Disposal of subsidiaries	-	(426)	-	465	39
Additional provisions	113	209	-	(3,119)	(2,797)
Reversal of unused provisions	(46)	(1,226)	-	6,632	5,360
Utilised in the year	-	-	(115)	(16,603)	(16,718)
Foreign exchange differences on translation	-	60	-	133	193
At 31 October 2020	613	1,704	-	29,761	32,078
Less: current portion	(613)	(1,704)	-	(23,269)	(25,586)
Non-current portion	-	-	-	6,492	6,492

Decommissioning provisions have been reassessed in the year to reflect latest estimates of associated costs. The provision will be utilised at the end of each wind farm's or battery storage asset's useful life, which varies up to 2035.

Employee and office related provisions relate to employee and property related costs that result from changes in the operational structure of the Group's activities.

Development and construction provisions relate to the associated costs that exist in relation to potential liabilities at the reporting date. These liabilities arise from the Group's development and construction activities and includes onerous contracts and potential warranty costs. The Group make specific provisions on a contract by contract basis. While there is uncertainty in timing and value of such obligations being extinguished in the future, the Directors are satisfied that a material change to these specific provisions will not be required based on best available information.

Contingent consideration payable relates to contingent consideration for the RES White acquisition (£500,000) and on the acquisition of an SPV in Scandinavia (£113,000).

29 Post-employment benefits

29.1 Defined benefit pension schemes

The table below outlines where the Group's defined benefit pension scheme related amounts and activity are included in the financial statements.

	2020 £'000	2019 £'000
Liability in the statement of financial position	18,240	16,171
Included in income statement within:		
- Administrative expenses	360	360
- Finance charges	1,268	1,564
- Finance income	(960)	(1,214)
- Exceptional cost	-	3,810
	668	4,520

29 Post-employment benefits (continued)

	2020 £'000	2019 £'000
Included in other comprehensive income:		
Remeasurements of defined benefit pension scheme:		
- Gains and losses arising from changes in demographic assumptions	614	5
- Gains and losses arising from changes in financial assumptions	2,130	(116)
- Gains and losses arising from experience adjustments	(172)	13
- Gains and losses arising from the removal of future discretionary increases	(371)	-
	2,201	(98)

The income statement charge includes current service cost, interest cost, past service costs and gains and losses on settlement and curtailment.

The company's subsidiary, Renewable Energy Systems Limited participates in the defined benefits section of the Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme ("the Scheme").

As disclosed in note 2.7.4 (b), the Group's agreed share of the total defined benefit obligation of the scheme is 10%. The defined benefit members of the scheme receive is based on a member's pensionable salary and the length of time they have been in the Scheme. Pensionable Salary is linked to actual salary, excluding any annual salary increases after 2006.

The total value of the scheme obligations and assets are as follows:

	2020 £'000	2019 £'000
Present value of funded obligations	683,070	648,410
Fair value of plan assets	(500,670)	(486,700)
Total deficit of defined benefit pension plans	**182,400**	**161,710**

The following amounts represent the Group's 10% share of the associated amounts in relation to the scheme.

The amounts recognised in the statement of financial position are determined as follows:

	2020 £'000	2019 £'000
Present value of funded obligations	68,307	64,841
Fair value of plan assets	(50,067)	(48,670)
Liability in the statement of financial position- total deficit of defined benefit pension plans	**18,240**	**16,171**

29 Post-employment benefits (continued)

The movement in the defined benefit liability over the year is as follows:

	Present value of obligation £'000	Fair value of plan assets £'000	Total £'000
At 1 November 2019	64,841	(48,670)	16,171
Administration cost	360	-	360
Interest expense/(income)	1,268	(960)	308
Remeasurements:			
– Return on plan assets, excluding amounts included in interest expense/(income)	-	(2,397)	(2,397)
– Loss from change in financial and demographic assumptions	4,598	-	4,598
Contributions:			
– Employers	-	(800)	(800)
Benefit payments from plans	(2,760)	2,760	-
At 31 October 2020	**68,307**	**(50,067)**	**18,240**

	Present value of obligation £'000	Fair value of plan assets £'000	Total £'000
At 1 November 2018	55,479	(42,936)	12,543
Administration cost	360	-	360
Interest expense/(income)	1,564	(1,214)	350
Exceptional cost (note 9)	3,810	-	3,810
Remeasurements:			
– Return on plan assets, excluding amounts included in interest expense/(income)	-	(6,310)	(6,310)
– Gain from change in financial and demographic assumptions	6,218	-	6,218
Contributions:			
– Employers	-	(800)	(800)
Benefit payments from plans	(2,590)	2,590	-
At 31 October 2019	**64,841**	**(48,670)**	**16,171**

	2020	2019
The fair value of plan assets comprises the following types of assets:		
– Equities	39.5%	37.6%
– Bonds (corporate and government gilts)	43.0%	42.9%
– Other	17.5%	19.5%
At 31 October	**100.0%**	**100.0%**

The significant actuarial assumptions were as follows:

	2020	2019
Discount rate	1.60%	2.00%
Inflation - RPI	2.80%	2.65%
Inflation - CPI	2.00%	1.85%
Salary growth rate	2.00%	2.15%
Pension growth rate	2.00%	1.85%

29 Post-employment benefits (continued)

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2020	***2019***
Retiring at the end of the reporting period:		
– Male	22.5	22.4
– Female	23.9	23.7
Retiring 20 years after the end of the reporting period		
– Male	22.9	22.8
– Female	25.0	24.8

Through its defined benefit pension plans and post-employment medical plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The Scheme liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Scheme holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term. As the Scheme matures, the Trustees intend to reduce the level of investment risk by investing more in assets that better match the liabilities. However, the Trustees believe that due to the long-term nature of the plan liabilities and the strength of the supporting RES and SRM groups, a level of continuing equity investment is an appropriate element of the group's long-term strategy to manage the plans efficiently.
Changes in bond yields	A decrease in corporate yields will increase Scheme liabilities, although this will be partially offset by an increase in the value of the Scheme's bond asset holdings.
Inflation risk	Some of the group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the UK plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

Expected contributions to the Scheme by the RES group for the year ending 31 October 2021 are £800,000.

29.2 Defined contribution pension schemes

Renewable Energy Systems Limited is the contributing employer of the defined contribution section of the Scheme, whereby employee contributions are matched by company contributions. During the year the Group contributions amounted to £800,000 (2019: £1,257,000) and were expensed. At the year-end there were £nil (2019: £nil) contributions payable by the Group.

The Group's overseas subsidiaries also operate local defined contribution schemes, whereby employee contributions are matched by company contributions. During the year the Group contributions amounted to £5,529,000 (2019: £3,333,000) and were expensed. At the year-end there were £103,000 (2019: £284,000) contributions payable by the Group.

30 Share capital

	2020 **£'000**	**2019** **£'000**
Called up, issued and fully paid:		
58,842,956 ordinary shares of £1 each	58,842	58,842
6,000,000 A ordinary shares of £0.0001 each	1	1
	58,843	**58,843**

Ordinary shares have attached to them full rights in respect of voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

A ordinary shares have attached to them dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption or voting rights.

31 Dividends per share

In the current year no dividends were paid to the shareholders (2019: £5,723,850). A dividend was declared after the reporting period (Note 38).

32 Cash absorbed by operations

	2020 £'000	2019 £'000
Profit/(loss) before income tax	39,493	(64,027)
Adjustments for:		
– Depreciation and impairment of property, plant and equipment (note 14)	14,078	8,256
– Depreciation and impairment of right of use asset (note 15)	10,258	-
– Amortisation of intangible assets (note 16)	310	415
– Impairment of intangible assets (note 16)	682	-
– Loss on sale of property, plant and equipment (excluding assets under course of construction)	(337)	(1,301)
– Fair value losses / (gains) on derivative financial instruments (note 8)	(835)	855
– Net finance costs (note 11)	866	5,567
– Share of after tax profit of joint ventures and associates accounted for using the equity method and gain on disposal of joint ventures and associates (note 17)	(45,395)	(15,213)
– Defined benefit pension scheme (note 29)	-	3,810
– Profit on disposal of subsidiaries	(67,858)	(9,394)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
– Inventories	(75,632)	(19,819)
– Trade and other receivables (including contract assets)	15,373	(103,379)
– Trade and other payables (including contract liabilities)	49,335	101,059
– Accruals and deferred income	(14,073)	-
– Provisions (relating to operations)	(14,693)	21,089
– Other (relating to operations)	(695)	2,126
Cash absorbed by operations	**(89,123)**	**(69,956)**

33 Financial instruments

33.1 Financial instruments by category

	31 October 2020			
	Amortised cost £'000	Derivatives Fair value through P&L £'000	Fair value through OCI £'000	Total £'000
Assets as per statement of financial position				
Equity investments	-	-	1,258	1,258
Trade and other receivables and contract assets excluding prepayments	288,256	-	-	288,256
Cash and cash equivalents	146,232	-	-	146,232
Total	**434,488**	**-**	**1,258**	**435,746**
Liabilities as per statement of financial position				
Borrowings	(2,319)	-	-	(2,319)
Derivative financial instruments	-	(66)	-	(66)
Trade and other payables and contract liabilities excluding non-financial liabilities	(240,114)	-	-	(240,114)
Total	**(242,433)**	**(66)**	**-**	**(242,499)**

33 Financial instruments (continued)

	31 October 2019			
	Amortised cost	Derivatives Fair value through P&L	Fair value through OCI	Total
	£'000	£'000	£'000	£'000
Assets as per statement of financial position				
Equity investments	-	-	4,155	4,155
Trade and other receivables excluding prepayments	324,873	-	-	324,873
Cash and cash equivalents	95,070	-	-	95,070
Total	**419,943**	**-**	**4,155**	**424,098**
Liabilities as per statement of financial position				
Borrowings	(11,005)	-	-	(11,005)
Derivative financial instruments	-	(893)	-	(893)
Trade and other payables excluding non-financial liabilities	(171,443)	-	-	(171,443)
Total	**(182,448)**	**(893)**	**-**	**(183,341)**

33.2 Reconciliation of liabilities arising from financing activities

	At 31 October 2019	Changes in foreign exchange rates	Financing cash flows	Changes in fair values of derivatives or other changes	Changes arising from obtaining or losing control of subsidiaries or other businesses	At 31 October 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current borrowings	(8,813)	(295)	1,533	-	7,187	(388)
Current borrowings	(2,192)	-	261	-	-	(1,931)
Derivative financial instruments	(893)	-	-	827	-	(66)
Total	(11,898)	(295)	1,794	827	7,187	(2,385)

33.3 Offsetting financial assets and financial liabilities

Cash and cash equivalents presented in the statement of financial position and statement of cash flows have been presented on a net basis, only where offset by bank accounts in an overdraft position with the same counterparty financial institution and where the accounts are subject to master netting arrangements in accordance with the conditions for netting specified in IAS 32 'Financial Instruments Presentation'.

33.4 Financial risk management

The Group's activities expose it to a number of financial risks, discussed below. The Group's overall risk management programme seeks to monitor and minimise the potential adverse effects on the Group's financial performance.

The Board of Directors has approved policies and written principles governing the use of derivative financial instruments as a means to mitigate against financial risks, which includes the directive that derivatives should not be used for speculative purposes. The Executive Management team oversees the operations of treasury and finance personnel, who are primarily responsible for carrying out day-to-day processes and controls, in line with policies approved by the Board and / or Executive Management, over financial risks.

33.4.1 Foreign exchange risks

The Group operates internationally, and has significant subsidiaries and operating teams in each of the key geographical territories in which the Group operates. These subsidiaries transact the majority of business in the local currency of the territory. Accordingly, foreign exchange risks at a functional currency level are contained. The principal foreign exchange risk facing the Group is in the translation of the results and financial position of overseas territories, with the impact of foreign exchange differences being reported in equity as cumulative translation differences. The principal overseas territories with functional currencies that differ from the Group's presentation currency, and hence give rise to potential translation risks, are in the Eurozone countries (in particular France) and the USA. Where practical, the Group uses foreign currency assets and liabilities to provide a natural hedge against the Group's net investment in foreign operations, to mitigate translation differences. Where potential significant exchange risk arises within a major business unit, due to exposures to non-functional currency transactions and balances, forward foreign exchange derivatives are considered and/or used to mitigate the risks.

The carrying amounts of equity investments, trade and other receivables and borrowings which are denominated in major functional currencies used by Group subsidiaries is set out in notes 18, 21 and 26 respectively.

33 Financial instruments (continued)

For the reasons described above, the Group considers that there is a limited impact on profit or loss of reasonably possible changes in exchange rates. However, the impact on net assets / equity of the Group of changes in the principal non-sterling currencies to which the Group is exposed would have been as set out below. Changes presented are in isolation for the individual factor described with all other variables held constant.

	(Decrease) / increase in reported net assets / equity	
	2020	2019
	£'000	£'000
US dollar 10% stronger against sterling	2,692	(730)
US dollar 10% weaker against sterling	(2,202)	597
Euro 10% stronger against sterling	19,566	11,133
Euro 10% weaker against sterling	(16,009)	(9,109)

Given the volatility of sterling against other major currencies since the decision on 23 June 2016 of the UK to leave the European Union, a 10% variance in currency values is reasonably possible in the opinion of the Group.

33.4.2 Interest rate risk

The Group's exposure to interest rate risk predominantly arises on the items described below. Due to the prevailing economic conditions of record low base rates in the major territories in which the Group operate, there is only a limited, immaterial impact on interest income that might be earned on cash and cash equivalents' balances.

- long-term borrowings. The Group's policy is to actively manage interest rate risks on long-term borrowings. This is achieved by having a mix of borrowings at both fixed and variable rates, and through the consideration and use of interest rate swaps. Refer also to note 26 (borrowings).

- pension scheme deficits, as changes in interest rates will impact the discount rate on which defined benefit pension scheme liabilities are calculated, and on the net interest charge arising on the net deficit. Refer also to note 29 (post-employment benefits).

33.4.3 Credit risk

Credit risk is predominantly managed by regional management in each of the major territories in which the Group operates, within the boundaries of overall Group policies. Each territory is responsible for managing credit risks arising on major contracts with customers and resulting amounts recoverable under contracts, accrued income and trade receivables. Monitoring of contract performance, including payments of amounts due by customers, occurs on a regular basis. The Group has a low credit risk concentration due to having a small number of debtors with high value balances, which allows the Group to assess credit risk individually.

Credit risk also arises from exposure to counterparty financial institutions holding the Group's cash and cash equivalents, and issuers of derivative financial instruments. The Board sets guidelines and approves major banking arrangements of the Group, and only contracts with established financial institutions of good regulatory standing and repute and strong credit ratings based on credible credit rating agencies.

Information about exposures to credit risk is set out in the notes supporting all the material financial assets of the Group.

33.4.4 Liquidity risk

Cash flow forecasting and reporting is performed at multiple levels in the Group organisation structure on a regular basis.

Cash forecasting and performance is an integral part of all contracting activities of the Group, and is a key determinant in commercial contract appraisal and performance. Together with generation and other activities, these are aggregated on a regional and divisional level, and ultimately aggregated for the Group as whole.

Senior finance personnel are closely involved in reviewing and monitoring cash flows, and the Group's borrowings, drawn and undrawn credit facilities, and short, medium and longer-term financing needs to ensure that cash flows are adequate to meet the Group's requirements, and the terms of finance facility covenants are monitored and reported. The Board reviews and approves annual cash flow forecasts, and receives regular reports from the senior finance team.

33 Financial instruments (continued)

The maturity profile of the Group's financial liabilities at the reporting date to the contractual maturity date is set out in the table below.

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Borrowings	(1,931)	(388)	-	-
Derivative financial instruments	(66)	-	-	-
Trade and other financial liabilities	(80,191)	-	-	(18,240)
31 October 2020	**(82,188)**	**(388)**	**-**	**(18,240)**
Borrowings	(2,192)	(1,879)	(17)	(6,917)
Derivative financial instruments	(893)	-	-	-
Trade and other financial liabilities	(174,207)	-	-	(16,171)
31 October 2019	**(177,292)**	**(1,879)**	**(17)**	**(23,088)**

33.4.5 Price risk

The Group's contracting operations, in particular for EPC contracts, expose the Group to price risk due to the longer-term nature of these contracts. The Group manages the risk through inclusion of appropriate escalation and price indexation for its contract revenues where possible, but is also exposed to similar price variability from its suppliers under contracts. The principal risk arises with turbines under EPC arrangements which are the single largest cost in the construction project.

Financial guarantees and performance guarantees are sought by the Group from suppliers for any significant milestone payments made by the Group to suppliers ahead of fulfilment of all obligations by suppliers, in particular for turbine supply contracts.

Equity securities price risk also exists in relation to the fair value of defined benefit scheme pension assets, given contractual agreements with other common controlled entities relating to the sharing of obligations for a scheme for which subsidiaries of the Group are participating employers. Further details are set out in note 29 (post-employment benefits).

34 Contingent liabilities

There were contingent liabilities in respect of guarantees and ordinary contract performance bonds given on construction, development and asset management activities in the normal course of business. The Group does not expect these to result in material costs in the future.

There is a contingent liability in relation to the Groups' share of the defined benefit pension scheme obligation as disclosed within note 2.7.4 (b). The total scheme assets and liabilities are disclosed in note 29.

35 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2020 £'000	2019 £'000
Construction costs contracted for but not provided for on wind and storage projects	27,106	40,281

The Group finances capital commitments either by limited recourse bank loans drawn by the relevant subsidiary company undertaking construction, or via self-financing from available working capital facilities of the Group.

35 Commitments (continued)

(b) Operating lease commitments – group as lessee

In the prior year the Group recognised leases of various properties, principally for office buildings, under non-cancellable operating lease agreements within operating leases. The lease terms and the majority of lease agreements do not feature renewal options by right. In the current year accounts, these lease liabilities are recognised under IFRS 16 leases as finance leases within the finance lease liability.

The future aggregate (i.e. for the whole term of the lease) minimum lease payments under non-cancellable operating leases are as follows:

	Operating lease commitment	
	2020	**2019**
	£'000	**£'000**
Future minimum lease payments:		
One year or less	1,694	4,898
Between one and two years	6	4,540
Between two and five years	-	4,493
In five years or more	-	8,536
	1,700	22,467

Cash payments during the year in respect of low value asset leases and short-life leases totalled £307k.

36 Related parties

The Group is controlled by its immediate and ultimate parent and controlling party, The McAlpine Partnership Trust (incorporated in the UK), which owns 98.4% of the company's shares. There were no transactions or balances with the ultimate parent, other than dividends as disclosed in note 31, in the current year. The other 1.6% of shares are owned by the K McAlpine 1972 Settlement.

The Group's related parties include:

- its associates, the identities of which are set out in the accompanying separate financial statements of the parent in note 12 - "A - associates";

- pension schemes in which the Group is a participating employer, as set out in note 29 above - "B - pension schemes";

- entities subject to common control by the ultimate parent. These principally include the sub-group headed by Newarthill Limited, which includes the Sir Robert McAlpine construction group of companies, which are owned by the same shareholders as the parent of the RES Group - "C - Sir Robert McAlpine construction group";

- the key management personnel including the directors of the Group, together with their close family members - "D - key management personnel"; and

- its joint ventures, the identities of which are set out in the accompanying separate accounts of the parent in note 12 - "E - joint ventures".

Transactions and balances with subsidiaries that are eliminated on consolidation in these consolidated financial statements are not disclosed. The identities of subsidiaries included in the consolidated financial statements of the Group are set out in note 12 of the accompanying separate company financial statements.

The disclosures below augment other disclosures which include reference to related parties in various other notes to these consolidated financial statements.

(a) The following transactions were carried out with related parties:

			2020		
	A - associates	**B - pension Schemes**	**C - Sir Robert McAlpine construction group**	**D - key management personnel**	**E - joint ventures**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Sales of goods and provision of services	-	-	10	-	-
Purchases of goods and services	-	-	29	-	-
Dividends received	4,746	-	-	-	-
Management charges	-	-	4,000	-	-
Contributions paid	-	800	-	-	-

36 Related parties (continued)

	2019				
	A - associates £'000	B - pension Schemes £'000	C - Sir Robert McAlpine construction group £'000	D - key management personnel £'000	E - joint ventures £'000
Sales of goods and provision of services	-	-	1,291	-	1,625
Purchases of goods and services	-	-	119	-	-
Reversal of impairment of loans receivable by the Group	12,658	-	-	-	-
Finance income	-	-	-	-	(7)
Dividends received	38,865	-	-	-	-
Management charges	-	-	6,200	-	-
Contributions paid	-	800	-	-	-

(b) Year-end balances arising from transactions with related parties:

	2020				
	A - associates £'000	B - pension Schemes £'000	C - Sir Robert McAlpine construction group £'000	D - key management personnel £'000	E - joint ventures £'000
Trade and other receivables	-	-	19	-	997
Trade and other payables	-	-	(2)	-	-

	2019				
	A - associates £'000	B - pension Schemes £'000	C - Sir Robert McAlpine construction group £'000	D - key management personnel £'000	E - joint ventures £'000
Trade and other receivables	24,673	-	-	-	770
Trade and other payables	-	-	(6)	-	-

All receivables and payables with related parties of the Group are transacted on an arm's length basis on normal commercial terms and conditions.

(c) Key management compensation

Key management personnel of the Group are considered to be the Directors of Renewable Energy Systems Holdings Limited and members of the Group Executive Board which includes a number of senior executives who direct or control major parts of the Group's operations, including personnel in major overseas territories. Their emoluments are disclosed below:

	2020 £'000	2019 £'000
Short-term employee benefits	3,287	2,620
Post employment benefits, including contributions to pension schemes	21	56
Other long-term incentive benefits vesting in the year	757	995
Termination benefits	78	-
	4,143	3,671

Directors' remuneration of the company is disclosed in the accompanying separate financial statements of the parent company.

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37 Subsidiary audit exemption

The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual financial statements by virtue of s479A of the Act:

Company name	Country of incorporation	UK company registration number	Liabilities at reporting date £'000
Renewable Energy Centre Limited	UK	03136058	137
RES UK & Ireland Limited	UK	04913493	1,628
RES White Limited	UK	11530790	-
Sarcon (No. 999) Limited	UK	NI654703	-
Blary Hil Land Limited	UK	12251870	38

The outstanding, liabilities at the reporting date of the named subsidiaries have been guaranteed pursuant to s479A to s479C of the Act. The directors believe the possibility of the guarantee being called upon is remote.

38 Events after the reporting period

Following a strategic review in 2021 it was determined that the Group would scale down the construction of wind farms in the US. The gross losses incurred by this operating segment in FY 2020 and FY 2019 are highlighted for information purposes below the Income Statement on page 18.

Post year-end a dividend was declared by the Group for £7,475,000. The Group also bought back 950,545 Ordinary Shares for £3,215,000.

Renewable Energy Systems Holdings Limited
Company balance sheet
As at 31 October 2020

Registration number: 04913497

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments in subsidiaries	10	42,801	42,801
Current assets			
Trade and other receivables	6	22,761	21,890
Cash and cash equivalents		7	7
Current liabilities			
Creditors – amounts falling due within one year	7	(297)	(208)
Net current assets		22,471	21,689
Total assets less current liabilities		**65,272**	**64,490**
Net assets		**65,272**	**64,490**
Equity			
Ordinary shares	8	58,843	58,843
Capital redemption reserve		1,158	1,158
Retained earnings		5,271	4,489
Total shareholders' funds		**65,272**	**64,490**

The reserves' movements in the parent company were a profit of £782,000 (2019: £887,000). As permitted by Section 408 of the Companies Act 2006, no profit and loss of the parent company is presented.

The notes on pages 68 to 77 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 23 April 2021. They were signed on its behalf by:

DocuSigned by:
Donald Joyce
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D C Joyce
Director
23 April 2021

Renewable Energy Systems Holdings Limited
Company statement of changes in equity
Year Ended 31 October 2020

	Share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance as at 1 November 2018	**58,843**	**1,158**	**3,326**	**63,327**
Profit for the year (restated)	-	-	6,887	**6,887**
Total comprehensive income for the year	**-**	**-**	**6,887**	**6,887**
Dividend paid	-	-	(5,724)	**(5,724)**
Total contributions by and distributions to owners of the parent, recognised directly in equity (restated)	**-**	**-**	**(5,724)**	**(5,724)**
Balance as at 31 October 2019	**58,843**	**1,158**	**4,489**	**64,490**
Profit for the year	-	-	782	**782**
Total comprehensive income for the year	**-**	**-**	**782**	**782**
Balance as at 31 October 2020	**58,843**	**1,158**	**5,271**	**65,272**

1 General information

Renewable Energy Systems Holdings Limited ('the company') is a private company limited by shares, incorporated and domiciled in the UK. The address of its registered office is Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of Renewable Energy Systems Holdings Limited have been prepared on the going concern basis and in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through the profit and loss, and in accordance with the Companies Act 2006. The financial statements are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 101 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.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
- paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
- 38A (requirement for minimum of two primary statements, including cash flow statements);
- 38B-D (additional comparative information);
- 40A-D (requirements for a third statement of financial position);
- 134-136 (capital management disclosures);
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transaction entered into between two or more members of a group; and
- IAS 7, 'Statement of Cash flows'.

New standards, amendments and interpretations adopted by the company

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 November 2018 have had a material impact on the parent company.

Going concern

The company operates as the ultimate parent of the RES Group and operates as a holding company only with no trading activities. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report. The financial position of the company is linked to the financial performance of the Group, which is set out in the consolidated statement of financial position and the accompanying notes to the financial statements. The Group's cash and borrowings positions are set out in the Strategic Report and notes 24, 26 and 33 to the consolidated financial statements. A description of the Group's financial risks is also set out in note 33 to the consolidated financial statements.

At the year end the Company had cash of £7,000 (2019: £7,000) no borrowings. As a consequence, the Directors believe that the company will be able to continue to manage its business risks successfully.

Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements of the parent company.

2 Summary of significant accounting policies (continued)

2.2 Trade and other receivables

Trade and other receivables are amounts due from group undertakings.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.3 Investments

An undertaking is regarded as a subsidiary undertaking if the company has control over its operating and financial policies. Investments in subsidiary undertakings that are directly owned by the parent company are stated at cost less amounts written-off for any permanent diminution in value.

2.4 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Balance Sheet date.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

• Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss;

• In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

• Only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

3 Critical accounting estimates and judgements

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 financial year. However, the nature of estimation means that actual outcomes could differ from those estimates.

3.1. Summary of significant accounting judgements and key accounting estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

The most critical accounting judgements and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. The following estimate has had the most significant effect on amounts recognised in the financial statements.

3.1.1 Investments

Investments in subsidiaries are stated at cost less provisions for any diminution in value. The value of the investment is assessed annually for any indicators of impairment such as a decline in performance of the subsidiary, which is a significant estimate as it is based on future forecasted profits. The carrying amount is £42,801,000 (2019: £42,801,000).

4 Profit and loss

The company's profit for the year was £782,000 (2019: £6,887,000 (restated)). Included in this amount are dividends payable of £nil (2019: £5,723,850), and dividends receiveable of £nil (2019: £6,000,000) which are recognised when the right to receive payment is established.

The prior year profit for the year has been restated to include a dividend received of £6,000,000 in profit for the year, which was previously recognised as a direct adjustment to equity.

5 Directors' remuneration

Remuneration of the Directors of the company:

	2020 £'000	2019 £'000
Emoluments	2,929	2,271
Pension contributions	21	56
	2,950	2,327

In 2020, in addition to the above, entitlement under long-term incentive plans was £644,000 (2019: £844,000).

Remuneration of the highest paid Director:

	2020 £'000	2019 £'000
Emoluments	972	543
	972	543

In 2020, in addition to the above, entitlement of the highest paid Director under long-term incentive plans was £374,000 (2019: £374,000).

None of the Directors of the company are remunerated by the company. All Directors are remunerated by subsidiaries of the company.

There are no employees other than the directors of the company in both the current and prior year.

6 Trade and other receivables

	2020 £'000	2019 £'000
Amounts owed by group undertakings		
At 31 October	22,761	21,890

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Corporation tax		
At 31 October	297	208

8 Share capital and premium

	2020 £'000	2019 £'000
Called up, issued and fully paid:		
58,842,956 ordinary shares of £1 each	58,842	58,842
6,000,000 A ordinary shares of £0.0001 each	1	1
At 31 October	58,843	58,843

Ordinary shares have attached to them full rights in respect of voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

A ordinary shares have attached to them dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption or voting rights.

9 Controlling parties

The Group is controlled by and its ultimate parent and controlling party is The McAlpine Partnership Trust (incorporated in the UK), which owns 98.4% of the company's shares. The other 1.6% of shares are owned by K McAlpine 1972 Settlement.

Renewable Energy Systems Holdings Limited
Notes to the company financial statements
For the year ended 31 October 2020

10 Investments

	2020	2019
	£'000	£'000
Investments		
At 31 October	42,801	42,801

11 Events after the reporting period

Significant post year-end events are detailed in the Group accounts, Note 38.

12 Group undertakings

The following represent the subsidiaries as at 31 October 2020, the majority of which are involved in the development and construction of wind, solar and battery storage projects or the production and sale of wind-generated electricity.

The proportion of voting rights held by the Group is the same as the proportion of shares held. If RES owns more than 51% of the share capital, and RES is considered to be the controlling parent, the entity has been consolidated.

The registered office addresses are defined as:

(1) Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR
(2) Unit C1 & C2, Willowbank Business Park, Millbrook, Larne, BT40 2SF
(3) Level 4, Deutsche Bank Place, 126-130 Phillip Street, Sydney, NSW 2000
(4) 5605 Avenue de Gaspé, Suite 508, Montreal, Quebec, H2T 2A4
(5) 330 rue du Mourelet, Z.I. de Courtine, 8400, Avignon
(6) 6th Floor, 2 Grand Canal Square, Dublin, Ireland
(7) Wergelandsveien 23B, 0167, Oslo, Norway
(8) 1209 Orange Street, Wilmington, DE, 19801
(9) Cumhuriyet Caddesi, Pegasus Evi: 48/1 Elmadag, Sisli, 34367, Istanbul
(10) 102-1015 Wilkes Avenue, Winnipeg, Manitoba R3P 2R8
(11) Unit 3 Ballyheerin, Kilmacrennan, Letterkenny, Co.Donegal
(12) Level 1, Tower Building, 50 Customhouse Quay, Wellington, New Zealand
(13) Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441 South Africa
(14) 2 Grand Canal Square, Dublin 2 Ireland
(15) Via San Marino 12, 00198, Roma, Italy
(16) Republic of Chile
(17) 421-7th Avenue SW, Suite 4000, Calgary, Alberta T2P 4K9
(18) 44 Chipman Hill, Suite 1000, Saint John, New Brunswickm E2L 2A9
(19) 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario M5L 1A9
(20) 1959 Upper Water Street, Suite 9000, Halifax, Nova Scotia B3J 3N2, Canada
(21) 40 rue de la Boetie, 75008, Paris, France
(22) Gartenstrasse 1, 78136, Schonach im Schwarzwald, Germany
(23) Garvis Carlssons gata 5169 41 Solna
(24) NV Nordisk Vindkraft AB, Lilla Bommen 1SE-411 04 Göteborg
(25) Herbert Smith Freehills, 'Anz Tower' Level 34, 161 Castlereagh Street, Sydney NSW 2000
(26) King & wood Mallesons, Level 61 Governor Phillip Tower, 1 Farrer Place, Syndeny NSW 2000
(27) Reutener Straße 18 79279 Vörstetten
(28) 66 Wellington Street West, Suite 5300, Toronto, Ontario M5K
(29) 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia B3J 3N2

Company name	Country of incorporation / registered office	UK company registration number	Holding of ordinary shares %
Direct subsidiary undertakings			
Renewable Energy Systems Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR	UK (1)	01589961	100%
Indirect subsidiary undertakings			
Renewable Energy Centre Limited	UK (1)	03136058	100%
Renewable Energy Group Limited	UK (1)	04913495	100%
RES UK & Ireland Limited	UK (1)	04913493	100%
Solar Slate Limited	UK (1)	07022531	100%
Wind Energy Systems Limited	UK (1)	03280274	100%
RES White Limited	UK (1)	11530790	100%
RES Australia PTY Limited	Australia (3)		100%
Renewable Energy Systems Canada Inc	Canada (4)		100%
RES Chile SpA	Chile (16)		100%
EOLE-RES S.A.	France (5)		100%
RES Méditerranée S.A.S	France (5)		100%
RES Deutschland GMBH	Germany (27)		100%
RES Italia s.r.l.	Italy (15)		100%
RES New Zealand Limited	New Zealand (12)		100%
Renewable Energy Systems Southern Africa Pty	South Africa (13)		100%
NV Nordisk Vindkraft AB	Norway (24)		100%
RES Anatolia Holding Anonim Şirketi	Turkey (9)		100%
Renewable Energy Systems Americas Inc	USA (8)		100%

12 Subsidiary undertakings (continued)

Operating subsidiaries and projects in construction	Country of incorporation	UK company registration number	Holding %
CEPE du Souleilla S.A.R.L.	France (5)		100%
Havsnäs Vindkraft AB	Sweden (24)		25%

Other related undertakings	Country of incorporation	UK company registration number	Holding %
Aberarder Wind Farm LLP	UK (1)	OC398487	73%
Alexandra Dock Energy Limited	UK (1)	07577521	100%
Battery Energy Storage Services Limited	UK (1)	10942509	100%
Eastern Wind Farms Limited	UK (1)	2798170	100%
Monadhliath Energy Limited	UK (1)	7922423	100%
North Blyth Energy Limited	UK (1)	07595351	100%
Rayburn Wind Farm Limited	UK (1)	8303786	100%
Renewable Energy Systems (Northern Ireland) Limited	UK (1)	NI026799	100%
RES Developments Limited	UK (1)	4493918	100%
Roaring Hill Energy Storage Limited	UK (1)	10272710	100%
Rufford Solar Limited	UK (1)	09903135	100%
SARCON (NO. 999) LIMITED	UK (1)	NI654703	100%
Saxon Energy Storage Limited	UK (1)	10196127	100%
Solar Slate Limited	UK (1)	07022531	100%
White Newco B Limited	UK (1)	11800128	100%
Wind Energy Systems Limited	UK (1)	3280274	100%
Petre Street Storage Limited	UK (1)	10272700	100%
Stony Energy Storage Limited	UK (1)	10272709	100%
Wind Turbine Developments Limited	UK (1)	2873607	100%
Corlacky Energy Limited	UK (2)	NI670694	100%
Barr Cregg Energy Limited	UK (2)	NI670693	100%
RES Solar Ireland Limited	ROI (6)		100%
RES Storage Ireland Limited	ROI (6)		100%
Renewable Energy Systems Limited (Branch)	ROI (11)		100%
RES America Asset Management Inc.	USA (8)		100%
Ball Hill Wind Energy, LLC	USA (8)		100%
Battery Utility of Ohio, LLC	USA (8)		100%
Bellwether Wind Energy, LLC	USA (8)		100%
Black Bear Wind Energy, LLC	USA (8)		100%
Blue Sky Solar Energy, LLC	USA (8)		100%
Chinook Wind Energy, LLC	USA (8)		100%
Clear Fork Solar, LLC	USA (8)		100%
Delta's Edge Solar, LLC	USA (8)		100%
DSR Solar Energy, LLC	USA (8)		100%
Glacier Ridge Wind Farm, LLC	USA (8)		100%
Hog Creek Wind Farm, LLC	USA (8)		100%
Honeysuckle Solar, LLC	USA (8)		100%
Joliet Battery Storage LLC	USA (8)		100%
Jones City Solar II, LLC	USA (8)		100%
Jones City Solar, LLC	USA (8)		100%
Karnes Community Solar, LLC	USA (8)		100%
KPUB Solar Energy, LLC	USA (8)		100%
Maverick Creek Wind, LLC	USA (8)		100%
Mines Wind Energy, LLC	USA (8)		100%
Northern Illinois Battery Storage Holding LLC	USA (8)		100%
Oklahoma Land Partners, LLC	USA (8)		100%
Pedernales Solar Energy I, LLC	USA (8)		100%
Pedernales Solar Energy II, LLC	USA (8)		100%
Pedernales Solar Energy III, LLC	USA (8)		100%
Pedernales Solar Energy IX, LLC	USA (8)		100%
Pedernales Solar Energy V, LLC	USA (8)		100%
Pedernales Solar Energy VI, LLC	USA (8)		100%
Pedernales Solar Energy VII, LLC	USA (8)		100%
Pedernales Solar Energy X, LLC	USA (8)		100%
Pedernales Solar Energy XI, LLC	USA (8)		100%
Pedernales Solar Energy XII, LLC	USA (8)		100%
Pedernales Solar Energy, LLC	USA (8)		100%
RES (Construction) GP, LLC	USA (8)		100%
RES (Construction) LP, LLC	USA (8)		100%
RES (Construction), LP	USA (8)		100%
RES America Construction Inc.	USA (8)		100%

12 Subsidiary undertakings (continued)

Other related undertakings	Country of incorporation	UK company registration number	Holding %
RES America Developments Inc.	USA (8)		100%
RES America Engineering Inc.	USA (8)		100%
RES America Investments Inc.	USA (8)		100%
RES Battery Storage Holding LLC	USA (8)		100%
RES Distributed Holdings, LLC	USA (8)		100%
RES Distributed, LLC	USA (8)		100%
RES Energy Storage Holdings, LLC	USA (8)		100%
RES Hawaii Construction, LLC	USA (8)		100%
RES Hawaii, LLC	USA (8)		100%
RES North America Leasing, LLC	USA (8)		100%
RES System 3, Holdings, LLC	USA (8)		100%
RES System 3, LLC	USA (8)		100%
RES Technologies, LLC	USA (8)		100%
S.E. Wind Energy, LLC	USA (8)		100%
Southwest Land Partners, LLC	USA (8)		100%
Spoon River Solar, LLC	USA (8)		100%
Summit Lake Wind, LLC	USA (8)		100%
Texas GP Holdings, LLC	USA (8)		100%
Texas Land Partners, LP	USA (8)		100%
Texas LP Holdings, LLC	USA (8)		100%
Vista Mountain Wind, LLC	USA (8)		100%
Walleye Wind Project, LLC	USA (8)		100%
West Chicago Battery Storage LLC	USA (8)		100%
White River Solar Energy, LLC	USA (8)		100%
Yellow Jacket Wind, LLC	USA (8)		100%
Cetmi Rüzgar Enerjisinden Elektrik Üretimi Limited Şirketi	Turkey (9)		100%
Arzava Enerji Üretim Limited Şirketi	Turkey (9)		100%
Mengücek Enerji Üretim Limited Şirketi	Turkey (9)		100%
Ahiyuva Enerji Üretim Limited Şirketi	Turkey (9)		100%
Eratna Enerji Üretim Limited Şirketi	Turkey (9)		100%
Çubuk Enerji Üretim Limited Şirketi	Turkey (9)		100%
Dilmaç Enerji Üretim Limited Şirketi	Turkey (9)		100%
Frig Enerji Üretim Limited Şirketi	Turkey (9)		100%
Germiyan Enerji Üretim Limited Şirketi	Turkey (9)		100%
Hanti Enerji Üretim Anonim Şirketi	Turkey (9)		100%
İnal Enerji Üretim Limited Şirketi	Turkey (9)		100%
İnanç Enerji Üretim Limited Şirketi	Turkey (9)		100%
Saltuk Enerji Üretim Anonim Şirketi	Turkey (9)		100%
Sökmen Enerji Üretim Limited Şirketi	Turkey (9)		100%
Tuşpa Enerji Üretim AnonimŞirketi	Turkey (9)		100%
Canik Enerji Üretim Limited Şirketi	Turkey (9)		100%
Eşref Enerji Üretim Anonim Şirketi	Turkey (9)		100%
Galatya Enerji Üretim Anonim Şirketi	Turkey (9)		100%
Pervane Enerji Üretim Limited Şirketi	Turkey (9)		100%
Saruhan Enerji Üretim Limited Şirketi	Turkey (9)		100%
RES Participation S.A.S	France (5)		100%
RES S.A.S	France (5)		100%
CEPE du Souleilla SARL	France (5)		100%
CEPE Les Grunes SARL	France (5)		100%
CPES Ombripark SARL	France (5)		100%
CEPE Champs Carrés SARL	France (5)		100%
CEPE Val De Vingeanne Est SARL	France (5)		100%
CEPE Merelle SARL	France (5)		100%
CEPE Fleur du Nivernais SARL	France (5)		100%
Les Eoliennes entre Loire et Rhône SAS	France (5)		80%
CEPE de Châtillonnais SARL	France (5)		100%
CEPE Sud Vesoul SARL	France (5)		100%
CPES La Gineste SARL	France (5)		100%
CEPE Mirebellois SARL	France (5)		100%
CEPE Orain SARL	France (5)		100%
CEPE Trois Provinces SARL	France (5)		100%
CEPE Bel Air Sud SAS	France (5)		100%
SPV Locanergy Two SARL	France (5)		100%
SPV Locanergy Three SARL	France (5)		100%
CPES Pascarate SARL	France (5)		100%
CEPE Noyer Berger SARL	France (5)		100%
CEPE la Tirroye SARL	France (5)		100%
CEPE Croix de l'Erable SARL	France (5)		100%

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12 Subsidiary undertakings (continued)

Other related undertakings	Country of incorporation	UK company registration number	Holding %
CEPE Grand Cerisier SARL	France (5)		100%
CEPE le Langrois SARL	France (5)		100%
CEPE du Haut Perron SARL	France (5)		100%
CEPE de l'Escur SARL	France (5)		100%
CEPE Bois de l'Aiguille SARL	France (5)		100%
CEPE Vents de Loire SAS	France (5)		100%
CEPE Frettes SARL	France (5)		100%
CEPE Les Lorettes SARL	France (5)		100%
CEPE Croix du Picq SARL	France (5)		100%
CEPE Terrier de la Pointe SARL	France (5)		100%
CEPE Chesnots SAS	France (5)		100%
CEPE La Croix des Trois SARL	France (5)		100%
CEPE Cerisou SARL	France (5)		100%
CEPE Comblèzine SARL	France (5)		100%
CEPE Fosse à Loup SARL	France (5)		100%
CPES Les Grandes Pièces SAS	France (5)		100%
CPES Plateforme Laudun SAS	France (5)		100%
CPES Mas d'en Ramis SARL	France (5)		100%
CPES Bac de Cos SAS	France (5)		100%
CPES MURES BASSES SARL	France (5)		100%
CPES Plan de Banon SARL	France (5)		100%
CPES le Plan SARL	France (5)		100%
CEPE Mont de Condy SARL	France (5)		100%
CEPE Charmonsel SARl	France (5)		100%
CEPE Champs Paille SARL	France (5)		100%
CEPE Nouvellois SARL	France (5)		100%
CEPE Chaume Des Communes SARL	France (5)		100%
CPES Mondonne SARL	France (5)		100%
CEPE Berceronne SARL	France (5)		100%
CPES Crassier Laudun SARL	France (5)		100%
CPES Griffoul SARL	France (5)		100%
CPES Lac De Rouan SARL	France (5)		100%
CPES Les Crouzourets SARL	France (5)		100%
CSE Leclanche SARL	France (5)		100%
CEPE Cote De Vauzelles SARL	France (5)		100%
CEPE Grands Communaux SARL	France (5)		100%
CEPE Croix De Bertaut SARL	France (5)		100%
CPES Basse Montagne SARL	France (5)		100%
CSE Ampère SARL	France (5)		100%
CSE Coulomb SARL	France (5)		100%
CSE Armand SARL	France (5)		100%
CEPE Les Vacants SARL	France (5)		100%
CPES Village Solaire SAS	France (5)		100%
CPES Peyrole LAC SAS	France (5)		100%
CPES Lüe SAS	France (5)		100%
Windkraft Schonach GmbH	Germany (22)		85%
Windpark Falkenhöhe GmbH & Co. KG	Germany (22)		100%
12. RES Deutschland Wind GmbH Co. KG	Germany (27)		100%
13. RES Deutschland Wind GmbH Co. KG	Germany (27)		100%
RES Deutschland Verwaltungs GmbH	Germany (27)		100%
Windpark Wasen GmbH & Co.KG	Germany (22)		100%
9337-9675 Québec Inc.	Canada (4)		100%
Assiniboine Wind G.P. Inc.	Canada (17)		100%
Assiniboine Wind L.P.	Canada (17)		100%
Athelstane Wind Farm LP	Canada (28)		100%
Côte-Nord Wind Farm Holding L.P.	Canada (4)		100%
Denbigh Wind (GP) Inc.	Canada (28)		100%
Denbigh Wind LP	Canada (28)		100%
Eastern Fields Wind Farm (GP) Inc.	Canada (28)		100%
Eastern Fields Wind Farm LP	Canada (28)		100%
Enterprise Solar GP Inc.	Canada (17)		100%
Enterprise Solar LP	Canada (17)		100%
Renewable Energy Systems Québec Inc.	Canada (4)		100%
RES Canada Asset Management GP Inc.	Canada (4)		100%
RES Canada Asset Management LP	Canada (4)		100%
RES Canada Construction (Ontario) Inc.	Canada (28)		100%
RES Canada Construction (Ontario) LP	Canada (28)		100%
RES Canada Construction GP, Inc.	Canada (4)		100%

Renewable Energy Systems Holdings Limited
Notes to the company financial statements
For the year ended 31 October 2020

12 Subsidiary undertakings (continued)

Other related undertakings	Country of incorporation	UK company registration number	Holding %
RES Canada Construction L.P.	Canada (4)		100%
RES Canada Energy Storage Inc.	Canada (28)		100%
RES Canada Energy Storage LP	Canada (28)		100%
RES Canada Land L.P.	Canada (4)		100%
Windy Ridge I GP Inc.	Canada (29)		100%
Windy Ridge I Limited Partnership	Canada (29)		100%
Windy Ridge II GP Inc.	Canada (29)		100%
Windy Ridge II Limited Partnership	Canada (29)		100%
RES Southern Cross PTY Ltd	Australia (3)		80%
Southern Cross Windpower PTY Ltd	Australia (3)		100%
Murra Warra Energy Pty Ltd	Australia (3)		100%
Twin Creek Energy Pty Ltd	Australia (3)		100%
Avonlie Solar Hold Co Pty Ltd	Australia (25)		100%
Avonlie Solar Project Co Pty Ltd	Australia (25)		100%
Avonlie Solar Fin Co Pty Ltd	Australia (25)		100%
Dalby Energy Holdings Pty Ltd	Australia (3)		100%
Dalby Energy Project Pty Ltd	Australia (3)		100%
Dalby Energy Finance Pty Ltd	Australia (3)		100%
Murra Warra Solar Pty Ltd	Australia (3)		100%
Murra Warra Solar Finance Pty Ltd	Australia (3)		100%
Dulacca Energy Project Hold Co Pty Ltd	Australia (25)		100%
Dulacca Energy Project Co Pty Ltd	Australia (25)		100%
Dulacca Energy Project Finco Pty Ltd	Australia (25)		100%
Nordisk Vindkraft Norge AS	Norway (7)		100%
Blåberg Vindkraft AS	Norway (7)		100%
Skveneheii Vindkraft AS	Norway (7)		100%
Hovatn Aust Vindkraft AS	Norway (7)		100%
Degerkölen Vindkraft AB	Sweden (24)		100%
Granliden Vindkraft AB	Sweden (24)		100%
Hornmyran Vindkraft AB	Sweden (24)		100%
RES Renewable Norden AB	Sweden (24)		100%
Trysslinge Vindkraft AB	Sweden (24)		100%
Vargträsk Vindkraft AB	Sweden (24)		100%
Gubbaberget Vindkraft AB	Sweden (24)		100%
Vindkraft i Fjällberg AB	Sweden (24)		100%
Vindkraft i Norrhälsinge AB	Sweden (24)		100%
Vinliden Vindkraft AB	Sweden (24)		100%
Stora Uvberget Vind AB	Sweden (24)		100%
Storåsen Vindkraft AB	Sweden (24)		100%
Skyttmon Borgvattnet AB	Sweden (24)		100%
Other investment undertakings			
SPR Development Holdings, LLC	USA (8)		49%
Sequoia Renewable Energy Systems LP	Canada (10)		50%
Eenou Windcorp Inc	Canada (4)		40%
Northern Lights AOO LP	Canada (28)		49%
Northern Lights LP	Canada (28)		49%
BHEC-RES AB Renewables L.P.	Canada (17)		49%
BHEC-RES AP Renewables GP Corp.	Canada (17)		49%
5529442 Manitoba Limited	Canada (10)		50%
Llanerfyl Access Road Consortium Limited	UK (1)	06118626	50%
The Renewables Infrastructure Group Limited	UK (1)	08506871	0.2%
Murra Warra Solar Holdings Pty Ltd	Australia (3)		50%
Murra Warra Energy Storage Pty Ltd	Australia (26)		50%
Murra Warra Land Co Pty Ltd	Australia (26)		50%
Havsnäs Vindkraft Elnät AB	Sweden (24)		25%