

Registered number: 08158006

Sunsave 4 (Pyworthy) Ltd

**Directors' report and financial statements
for the year ended 31 December 2020**



Sunsave 4 (Pyworthy) Ltd

Company information

Directors	J K Rhodes-Journeay S Tetot
Registered number	08158006
Registered office	2 Jubilee Way Faversham Kent ME13 8GD
Independent auditors	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool L3 9AG

Sunsave 4 (Pyworthy) Ltd

Directors' report for the year ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors

The directors who served during the year were:

J K Rhodes-Journeay
S Tetot

Disclosure of information to auditors

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

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

Sunsave 4 (Pyworthy) Ltd

Directors' report (continued) for the year ended 31 December 2020

Auditors

The auditors, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to apply the small company regime.

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

A handwritten signature in black ink, appearing to be 'S Tetot', written over a horizontal line.

S Tetot
Director

Date: 28.05.2021

Sunsave 4 (Pyworthy) Ltd

Independent auditors' report to the members of Sunsave 4 (Pyworthy) Ltd

Opinion

We have audited the financial statements of Sunsave 4 (Pyworthy) Ltd (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account and balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Sunsave 4 (Pyworthy) Ltd

Independent auditors' report to the members of Sunsave 4 (Pyworthy) Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Sunsave 4 (Pyworthy) Ltd

Independent auditors' report to the members of Sunsave 4 (Pyworthy) Ltd

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: This description forms part of our auditor's report.

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.

RSM UK Audit LLP

Jacqui Baker (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG
Date: 1 June 2021

Sunsave 4 (Pyworthy) Ltd

Profit and loss account for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	2.4	935,698	975,277
Cost of sales		(543,982)	(556,888)
Gross profit		391,716	418,389
Administrative expenses		(95,936)	(82,688)
Operating profit		295,780	335,701
Interest payable and expenses	4	(305,384)	(313,200)
(Loss)/profit before tax		(9,604)	22,501
Tax on (loss)/profit		205,000	(132,000)
Profit/(loss) for the financial year		195,396	(109,499)

There was no other comprehensive income for 2020 (2019:£NIL).

Sunsave 4 (Pyworthy) Ltd
Registered number:08158006

Balance sheet
as at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	5		5,208,683		5,632,354
			5,208,683		5,632,354
Current assets					
Debtors: amounts falling due after more than one year		128,000		-	
Debtors: amounts falling due within one year		218,883		210,439	
Cash at bank and in hand		73,565		26,629	
		420,448		237,068	
Creditors: amounts falling due within one year	7	(6,299,068)		(6,661,327)	
Net current liabilities			(5,878,620)		(6,424,259)
Total assets less current liabilities			(669,937)		(791,905)
Provisions for liabilities					
Deferred tax	8	-		(77,000)	
Other provisions	9	(126,030)		(122,457)	
			(126,030)		(199,457)
Net liabilities			(795,967)		(991,362)
Capital and reserves					
Called up share capital			3		3
Profit and loss account			(795,970)		(991,365)
			(795,967)		(991,362)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



S Tetot
Director

Date: 28.05.2021

The notes on pages 3 to 10 form part of these financial statements.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2020

1. General information

Sunsave 4 (Pyworthy) Ltd is a private company limited by shares incorporated in England and Wales. Its registered office address is 2 Jubilee Way, Faversham, Kent, ME13 8GD.

The company's solar farm and principal place of business is located at Pyworthy, Holsworthy, Devon, EX22 6AJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, under the historical cost convention. The disclosure requirements of Section 1A of FRS 102 have been applied.

The financial statements are presented in pound sterling and all values are rounded to the nearest pound (£) except where otherwise indicated.

The following principal accounting policies have been applied:

2.2 Going concern

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

The directors have separately reviewed integrated forecasts for the company, for the foreseeable future, which indicate that the company will be able to meet its working capital demands as they fall due from cash flows from operations and existing working capital.

As at the date of these financial statements, the company is in a net current and net liabilities position due to amounts owed to group undertakings. The Directors have received a letter from group counterparties, confirming that it will not recall the amounts due for a period of at least twelve months from the signing date of these financial statements, on the basis that the company continues to make interest repayments in line with the agreement.

The directors therefore, believe that the company is a going concern and have prepared the financial statements on a going concern basis.

The directors have considered the impact of the current COVID-19 crisis on the company's ability to trade and are confident that operations can continue relatively uninterrupted during this period.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2020

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Generation and embedded benefits turnover

Turnover from the sale of electricity represents the invoice value, excluding VAT, of electricity provided to third parties and is recognised when electricity is generated. Embedded benefits are paid to generating plant located on the distribution network to reflect the lower cost of transporting electricity to the end user and are recorded at the invoice value.

ROCs turnover

Renewable Obligation Certificates (ROCs) are issues to qualifying renewable generators under terms of the OFGEM Renewable Obligation registration. These certificates may be traded separately from the electricity to which they relate. The ROCs are recorded as accrued income at fair value and recognised in turnover when the electricity to which they relate is generated. Any impairment of the ROCs due to reduction in the market price is recorded in profit and loss.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2020

2. Accounting policies (continued)

2.6 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Solar park	- 5% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2020

2. Accounting policies (continued)

2.9 Cash and cash equivalents

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

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Where the company, as lessee, is contractually required to restore leased property to an agreed condition prior to the release by a lessor, provision is made for such costs as they are identified.

2.12 Financial instruments

Debt instruments including loans and other accounts receivable and payable, are measured at historical cost and are repayable on demand.

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

The company's financing arrangement with Bayerische Landesbank included a financial instrument in the form of a cross currency interest rate swap agreement. This has the effect of converting a variable rate euro denominated loan into a fixed rate sterling loan. Bayerische Landesbank provide an estimate of the value of the swap agreement at each period end. Changes in the value of the instrument are recognised in other financial income or expenses.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2020

3. Employees

The average monthly number of employees during the year was 0 (2019 - 0).

4. Interest payable and similar expenses

	2020 £	2019 £
Unwinding of discount on deconstruction provision	3,573	935
Loans from group undertakings	301,811	312,265
	<u>305,384</u>	<u>313,200</u>

5. Tangible fixed assets

	Solar park £
Cost or valuation	
At 1 January 2020	8,450,274
At 31 December 2020	<u>8,450,274</u>
Depreciation	
At 1 January 2020	2,817,920
Charge for the year on owned assets	423,671
At 31 December 2020	<u>3,241,591</u>
Net book value	
At 31 December 2020	<u>5,208,683</u>
At 31 December 2019	<u>5,632,354</u>

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2020

6. Debtors

	2020 £	2019 £
Due after more than one year		
Deferred tax asset	128,000	-
	128,000	-
Due within one year		
Trade debtors	74,208	68,501
Other debtors	20,000	20,000
Prepayments and accrued income	124,675	121,938
	346,883	210,439

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	44,282	34,970
Amounts owed to group undertakings	6,177,110	6,435,428
Other taxation and social security	52,694	82,680
Accruals and deferred income	24,982	108,249
	6,299,068	6,661,327

Amounts owed to group undertakings includes £4,586,396 (2019: £4,767,555) due to BRI EU Finance Designated Activity Company (registered in the Republic of Ireland) and £1,590,714 (2019: £1,667,873) due to RI EU Holdings (UK) Limited.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2020

8. Deferred taxation

	2020 £
At the beginning of the year	(77,000)
Credited to profit or loss	205,000
At the end of the year	128,000

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(184,000)	(185,000)
Tax losses carried forward	312,000	108,000
	128,000	(77,000)

9. Provisions

	Deconstruction provision £
At 1 January 2020	122,457
Charged to profit or loss	3,573
At 31 December 2020	126,030

The company's lease over the land, on which it has constructed a solar park, requires it to return the land to its original condition at the expiry of the lease. This provision comprises the present value of the estimated cost of complying with the terms of the lease.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2020

10. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	37,986	37,241
Later than 1 year and not later than 5 years	159,695	156,564
Later than 5 years	359,967	401,085
	<u>557,648</u>	<u>594,890</u>

The company is committed to a 20 year 6 month land rent agreement from February 2013 (unless the project is decommissioned early). The annual rent charge will rise after year 12. Supplementary rents may also be payable dependent upon the level of revenue generation. A final rent will be payable in the year following decommissioning.

The company may break the lease by giving the landlord 12 months prior written notice, provided the company complies with the covenants imposed by the lease.

The above amounts represent the minimum annual commitments.

The lease includes a mechanism to uplift the rent every 5 years to reflect an increase in the retail prices index (RPI). The operating lease commitment shown above assumes the RPI will rise at 2% per annum over the remaining lease period.

11. Controlling party

The ultimate parent undertaking and controlling party in this group is considered to be Renewable Income EU, a sub-fund of Blackrock Infrastructure Funds Public Limited Company, an investment company registered in Ireland which accounts for investments at fair value and does not prepare consolidated financial statements.

The immediate parent company as at 31 December 2020 is RI EU Holdings (UK) Limited, an investment company registered in England & Wales which accounts for investments at fair value and does not prepare consolidated financial statements. The accounts are available from the registered office at 12 Throgmorton Avenue, London, EC2N 2DL