

REGISTERED NUMBER: 07699638 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
ERIS SOLAR 19 LIMITED

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FOR THE YEAR ENDED 31 MARCH 2021

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ERIS SOLAR 19 LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

Directors:

G E Shaw
Pinecroft Corporate Services Limited

Registered office:

C/O Foresight Group
The Shard
32 London Bridge Street
London
SE1 9SG

Registered number:

07699638 (England and Wales)

Auditor:

BDO LLP

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

Directors

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

G E Shaw
Pinecroft Corporate Services Limited

Going concern

The directors have a reasonable expectation that the Company has adequate resources to be in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts.

Small company exemption

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

GROUP ACCOUNTS

The company and its subsidiaries combined, meet the size exemption criteria for the group and the company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of Section 405 of the Companies Act 2006. Consequently, these financial statements deal with the results of the company as a single entity.

Directors' Responsibilities Statement

The directors are responsible for preparing the Report of the Directors 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 international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement as to disclosure of information to auditors

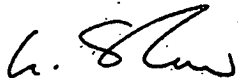
The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

A handwritten signature in black ink, appearing to read 'G. E. Shaw', written in a cursive style.

G E Shaw - Director

20 September 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ERIS SOLAR 19 LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 31 March 2021 and of the its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Eris Solar 19 Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ERIS SOLAR 19 LIMITED

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Company 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Company financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The design and execution of our procedures and the extent to which they are capable of detecting irregularities, including fraud is detailed below.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ERIS SOLAR 19 LIMITED

We carried out planning procedures to determine risk, including:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company based on our understanding of the Company and sector experience and discussions with management. The most significant considerations for the Company are the Companies Act 2006 and tax legislation.
- We enquired of management and obtained and reviewed supporting documentation concerning the Company's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance.
 - detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected, or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

We corroborated our enquiries through our review of board minutes.

Based on our understanding of the environment and assessment of the incentive and opportunity for fraud or material misstatement arising in respect of non-compliance with laws and regulations we designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. Given the nature of the entity and the activities in the year we obtained assurance by substantively agreeing all material transactions in the year and year end balances to supporting evidence. We also reviewed the Company's accounting policies for non-compliance with relevant standards and considered significant accounting estimates for evidence of misstatement or possible bias. Finally, we reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Gareth Singleton

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Gareth Singleton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

21 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31.3.21 £	31.3.20 £
Continuing operations			
Revenue		-	-
Other operating income		-	3,491,000
Administrative expenses		<u>(718)</u>	<u>(718)</u>
Operating (loss)/profit		<u>(718)</u>	<u>3,490,282</u>
(Loss)/profit before income tax		(718)	3,490,282
Income tax	5	<u>-</u>	<u>-</u>
(Loss)/profit for the year		<u><u>(718)</u></u>	<u><u>3,490,282</u></u>

The notes on pages 14-20 form part of these financial statements

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	31.3.21 £	31.3.20 £
(Loss)/profit for the year	(718)	3,490,282
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>(718)</u></u>	<u><u>3,490,282</u></u>

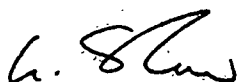
The notes on pages 14-20 form part of these financial statements

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2021

	Notes	31.3.21 £	31.3.20 £
Assets			
Non-current assets			
Investments	6	<u>3,491,000</u>	<u>3,491,000</u>
Current assets			
Trade and other receivables	7	288	145
Cash and cash equivalents	8	<u>336</u>	<u>336</u>
		<u>624</u>	<u>481</u>
Total assets		<u><u>3,491,624</u></u>	<u><u>3,491,481</u></u>
Equity			
Shareholders' equity			
Called up share capital	9	1	1
Retained earnings	10	<u>(22,110)</u>	<u>(21,392)</u>
Total equity		<u>(22,109)</u>	<u>(21,391)</u>
Liabilities			
Current liabilities			
Trade and other payables	11	<u>3,513,733</u>	<u>3,512,872</u>
Total liabilities		<u>3,513,733</u>	<u>3,512,872</u>
Total equity and liabilities		<u><u>3,491,624</u></u>	<u><u>3,491,481</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 September 2021 and were signed on its behalf by:



G E Shaw - Director

The notes on pages 14-20 form part of these financial statements

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	1	(3,511,674)	(3,511,673)
Changes in equity			
Total comprehensive income	-	3,490,282	3,490,282
Balance at 31 March 2020	1	(21,392)	(21,391)
Changes in equity			
Total comprehensive income	-	(718)	(718)
Balance at 31 March 2021	1	(22,110)	(22,109)

The notes on pages 14-20 form part of these financial statements

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		31.3.21	31.3.20
		£	£
Cash flows from operating activities			
Cash generated from operations	1	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year	2	336	336
		<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	2	<u>336</u>	<u>336</u>

The notes on pages 14-20 form part of these financial statements

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

1.	Reconciliation of (loss)/profit before income tax to cash generated from operations	31.3.21	31.3.20
		£	£
	(Loss)/profit before income tax	(718)	3,490,282
	Reversal of impairment	-	(3,491,000)
		(718)	(718)
	Increase in trade and other receivables	(143)	(144)
	Increase in trade and other payables	861	862
	Cash generated from operations	-	-

2. **Cash and cash equivalents**

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

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	336	336

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	336	336

The notes on pages 14-20 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Eris Solar 19 Limited (Reg no. 07699638) is a private company, limited by shares, incorporated in England and Wales. The address of the company's registered office is The Shard, 32 London Bridge Street, London, SE1 9SG.

The principal activity of the company during the year was that of a holding company.

2. Accounting policies

Basis of preparation

The company financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently in all periods presented in these financial statements.

Measurement convention

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

Going concern

Having reviewed the company's current position and cash-flow projections for the next twelve months, the directors believe the company is well placed to manage its business risks despite the net liabilities position.

The net liabilities position is a result of a creditor balance owed to fellow group companies. While this balance is repayable on demand the directors of these companies have confirmed they will not be recalled within the next 12 months.

Accordingly, the management adopts the going concern basis in preparation of the financial statements.

Investments in subsidiaries

Investments in subsidiaries are initially recognised at cost. Investments in subsidiaries are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment. If the recoverable amount is less than the carrying amount the investment is impaired.

Previously recognised impairments are reversed if circumstances and assessments change on the recoverable amount of the financial asset.

Financial instruments

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, accounts payable and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the company commits to purchase or sell the financial assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies - continued

De-recognition of financial assets and liabilities

A financial asset, or apportion of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired.
- The company retains the right to receive the cash flow from the asset, but has assumed an obligation to pay them in full without material delay to a third party under "pass-through" arrangement; or
- The company has transferred the rights to receive cash flows from the asset and either:

(i) has transferred substantially all the risks and rewards of ownership of the asset or

(ii) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled, or has expired.

Trade and other receivables

Trade and other receivables reflected on the balance sheet are net of an allowance for uncollectible amounts.

Financial liabilities

Loans and accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any features meeting the definition of financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of ordinary equity shares.
- "Retained deficit" include all current results as disclosed in the income statement.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Capital risk management

The company's objectives when managing capital are to safeguard the company'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 company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The loan balances represent inter-company loans.

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. Employees and directors

There were no staff costs or directors' emoluments for the year ended 31 March 2021 nor for the year ended 31 March 2020.

The average monthly number of employees, including directors, during the year was nil (2020 - nil).

4. Auditors' remuneration

The loss before income tax is stated after charging:

	31/3/21	31/3/20
	£	£
Auditors' remuneration	<u>718</u>	<u>1,000</u>

5. Income tax

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 March 2021 nor for the year ended 31 March 2020.

6. Investments

	Shares in group undertakings £
Cost	
At 1 April 2020 and 31 March 2021	<u>3,491,000</u>
Net book value	
At 31 March 2021	<u>3,491,000</u>
At 31 March 2020	<u>3,491,000</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Bridgewater Solar Limited

Registered office: The Shard, 32 London Bridge Street, London, SE1 9SG

Nature of business: Solar Farm

	% holding		
Class of shares:	100.00		
Ordinary		31.3.21	31.3.20
		£	£
Aggregate capital and reserves		4,987,856	5,043,573
(Loss)/profit for the year		<u>(55,717)</u>	<u>1,487,604</u>

ERIS SOLAR 19 LIMITED (REGISTERED NUMBER: 07699638)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****6. Investments - continued****Puriton Solar Limited**

Registered office: The Shard, 32 London Bridge Street, London, SE1 9SG

Nature of business: Solar Farm

Class of shares:

Ordinary

%
holding
100.00**31.3.21****31.3.20**

£

£

Aggregate capital and reserves

13,205,187

13,452,292

(Loss)/profit for the year

(247,105)2,229,635**7. Trade and other receivables****31.3.21****31.3.20**

£

£

Current:

Other debtors

1

1

VAT

287144288145**8. Cash and cash equivalents****31.3.21****31.3.20**

£

£

Bank deposit account

336336**9. Called up share capital**

Allotted, issued, and fully paid:

Number: Class:

Nominal
value:
£1**31.3.21****31.3.20**

£

£

1

Ordinary

11**10. Reserves**Retained
earnings
£

At 1 April 2020

(21,392)

Deficit for the year

(718)

At 31 March 2021

(22,110)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

11. Trade and other payables

	31.3.21 £	31.3.20 £
Current:		
Other creditors	3,512,733	3,511,872
Accruals and deferred income	<u>1,000</u>	<u>1,000</u>
	<u><u>3,513,733</u></u>	<u><u>3,512,872</u></u>

12. Contingent liabilities

On 2 May 2013 the company participated in a refinancing of the Solar Parks owned and operated by companies within the Sparksun Limited group of companies by the issue of an RPI linked bond for £60 million.

Under the terms of the bond the Company is jointly and severally liable for all amounts due. The total principal due under the bond at the year-end was £41,063,625. This amount is secured on the assets of the Company.

13. Financial instruments

Fair Value category

The financial assets and liabilities held by the Company for both 31 March 2021 and 31 March 2020 were measured at amortised cost.

	Carrying Amount 31.3.21 £	Carrying Amount 31.3.20 £
Financial assets:		
Trade and other receivables	1	1
Cash & cash equivalents	336	336
Financial liabilities:		
Trade and other payables	3,513,730	3,512,872

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

14. Financial risk management

The company's principal financial assets and liabilities comprise trade receivables, cash, interest bearing loans and trade payables.

The company has exposure to the following risks from its use of financial instruments:

- Market risks, including foreign currency, commodity price, interest rate, inflation rate risks
- Credit risk
- Liquidity risk

This note represents information about the company's exposure to each of the above risks and the company's objectives, policies, and processes for assessing and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The company is not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the company operates.

The company has limited exposure to interest rate risk. The company is fully funded by the parent company and has no floating rate interest bearing loans or borrowings at 31 March 2021 or 31 March 2020. The company does not intend to hold cash for the purpose of generating interest income. The company does not currently consider it necessary to actively manage interest rate risk.

b) Credit risk

The company's policy is aimed at minimising losses as a result of counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the company are considered by management to be of appropriate credit rating. At each balance sheet date, the company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date are the carrying value of the financial assets.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company monitors its risks of shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and obligations. The following table sets out the contractual payments and maturities (including future interest charges) of financial liabilities.

Year ended 31 March 2021

	On demand	Less than 3 months	3 to 12 months	1 to 5 periods	> 5 periods	Total
	£	£	£	£	£	£
Financial Liabilities						
Trade and other payables	-	-	1,000	-	-	1,000
Owing to group company	3,512,730	-	-	-	-	3,512,730
						<u>3,513,730</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

Year ended 31 March 2020

	On demand	Less than 3 months	3 to 12months	1 to 5 periods	> 5 periods	Total
	£	£	£	£	£	£
Financial Liabilities						
Trade and other payables	-	-	1,035	-	-	1,035
Owing to group company	3,511,837	-	-	-	-	<u>3,511,837</u>
						<u>3,512,872</u>

d) Capital management

Management considers capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The company's policy is to finance its operations through group borrowings. It is the company's policy not to hold financial instruments for speculative purposes.

15. Related party disclosure

	2021 £	2020 £
Bridgewater Solar Limited - Subsidiary company		
The amount payable on demand represents a loan from subsidiary company, Bridgewater Solar Limited.		
Amount due to the related party	<u>(1,410,619)</u>	<u>(1,410,619)</u>
Puriton Solar Limited - Subsidiary company		
The amount payable on demand represents a loan from subsidiary company, Puriton Solar Limited.		
Amount due to the related party	<u>(2,080,381)</u>	<u>(2,080,381)</u>

The amounts of £14,697 (2020 - £14,697) and £6,140 (2020 - £6,140) are owed to Puriton Solar Limited and Bridgewater Solar Limited respectively for short-term working capital requirements during the course of the year, which were outstanding at the year end.

16. Ultimate controlling party

The company is a wholly owned subsidiary of Sparksun Limited. Sparksun is owned by KIAMCO UK Solar Fund which was the ultimate controlling party of the company.