

## **Warren Solar Limited**

**Report of Directors and Financial Statements  
For the year end 31 March 2021  
Registered number 09480067**

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**Company Information**

**Directors:**

Julian Skinner  
Nigel Hildyard

**Registered Office:**

15 Diddenham Court  
Lambwood Hill  
Grazeley  
RG7 1JQ

## Directors' Report

The directors present their annual report and accounts for the year ended 31 March 2021.

### Principal activity

The principal activity of the company is the operation of a ground mounted solar photo-voltaic installation in the United Kingdom.

### Directors

The directors, who served throughout the year and to the date of signing of the accounts except as noted, were as follows:

Julian Skinner

Nigel Hildyard

### Operational risk

Performance of the installed equipment over the life of the lease. The risk is mitigated by the operations and maintenance agreement in place with an experienced O&M Contractor.

*Energy yield risk.* Variability of solar irradiance which affects the generation achieved by the installation. This risk is mitigated to a manageable level through performance guarantees.

*COVID-19.* The performance of the Group's solar portfolio has so far not been significantly impacted by the COVID-19 pandemic. Anesco, the O&M contractor responsible for managing the operation and maintenance of the solar farm, are following stringent business continuity plans for dealing with COVID-19 and are currently expected to be able to continue delivering its O&M obligations.

### Results

The company made a loss before taxation of £84k (2020: £89k) and has net liabilities of £601k (2020: £510k). The company has net current assets of £418k (2020: £293k).

### Going concern

The performance of the Daedalus portfolio has so far not been directly impacted by the COVID-19 pandemic. The portfolio performed well during the year, outperforming the P50 generation target. The O&M provider Anesco continues to proactively monitor and manage the solar farm, and are expected to be able to continue delivering its O&M performance.

Below average seasonal temperatures in December and January led to short-term electricity demand spikes. To balance the market, less efficient coal and gas stations were brought online leading to record high short-term power prices. The Group is relatively insulated from these short-term shocks due to the nature of the Renewable Obligation Certificate scheme and in addition the Power Purchase Agreement floor price.

The Group's forecasts and projections, taking into account potential changes in trading patterns, indicate that the Group will be able to continue current operations for the foreseeable future.

In performing their review, the directors have considered the commitment and ability of the parent company to continue to be able to provide ongoing financial support. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

### Dividend

The directors did not declare a dividend during the year (2020: £Nil).

**Director's indemnities**

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

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

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Julian Skinner', is written over the printed name.

Julian Skinner  
Director  
9 December 2021

15 Diddenham Court  
Lambwood Hill, Grazeley, RG7 1JQ.

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

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

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

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

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2021**

	<i>Notes</i>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Turnover	5	556,246	545,623
Cost of sales		(113,879)	(107,124)
Depreciation and amortisation	6	(206,829)	(206,829)
<b>Gross profit</b>		<b>235,538</b>	<b>231,670</b>
Administrative expenses		(12,069)	(12,324)
<b>Operating profit</b>		<b>223,469</b>	<b>219,346</b>
Finance costs (net)	3	(307,356)	(308,410)
Loss before taxation		<b>(83,887)</b>	<b>(89,064)</b>
Tax on profit	4	(7,765)	(70,399)
<b>Loss for the financial year</b>		<b>(91,652)</b>	<b>(159,463)</b>

There were no recognised gains and losses for 2021 and 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £Nil).

The accounting policies and notes on pages 9 to 15 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Non-current assets</b>					
Property, plant and equipment	6	4,225,281		4,432,110	
Deferred tax assets		-		26,864	
			<b>4,225,281</b>		<b>4,458,974</b>
<b>Current assets</b>					
Debtors	7	428,373		572,754	
		<b>428,373</b>		<b>572,754</b>	
<b>Creditors: amounts falling due within one year</b>	8	<b>(10,092)</b>		<b>(279,878)</b>	
<b>Net current assets</b>			<b>418,281</b>		<b>292,876</b>
<b>Total assets less current liabilities</b>			<b>4,643,562</b>		<b>4,751,850</b>
<b>Creditors: amounts falling due after more than one year</b>	9		<b>(5,081,500)</b>		<b>(5,081,500)</b>
Provision for liabilities	11		(163,449)		(180,086)
Deferred tax Liabilities					
<b>Net liabilities</b>			<b>(601,387)</b>		<b>(509,736)</b>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Profit and loss account			(601,487)		(509,836)
<b>Equity shareholders' funds</b>			<b>(601,387)</b>		<b>(509,736)</b>

The notes on page 9 to 15 form part of the financial statements.

The company is entitled to exemption under section 477 of the Companies Act 2006 for the year ended 31 March 2021.


The members have not required the Company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the board of directors on 9 December 2021 and were signed on its behalf by:

  
Julian Skinner  
Director

Company registered number: 09480067

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Warren Solar Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in the UK. The registered number is 09480067

#### Basis of Preparation

The financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014.

The presentation currency of these financial statements is sterling.

The company has prepared these financial statements in accordance with FRS 102 section 1A.

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

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

The performance of the Daedalus portfolio has so far not been directly impacted by the COVID-19 pandemic. The portfolio performed well during the year, outperforming the P50 generation target. The O&M provider Anesco continues to proactively monitor and manage the solar farm, and are expected to be able to continue delivering its O&M performance.

Below average seasonal temperatures in December and January led to short-term electricity demand spikes. To balance the market, less efficient coal and gas stations were brought online leading to record high short-term power prices. The Group is relatively insulated from these short-term shocks due to the nature of the Renewable Obligation Certificate scheme and in addition the Power Purchase Agreement floor price.

The Group's forecasts and projections, taking into account potential changes in trading patterns, indicate that the Group will be able to continue current operations for the foreseeable future.

In performing their review, the directors have considered the commitment and ability of the parent company to continue to be able to provide ongoing financial support. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

## 1 Accounting policies (continued)

### 1.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Costs include any costs 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. These can include the costs of site preparation, installation and assembly, and testing of functionality.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Solar photovoltaic (PV) facilities: 25 years

The estimated useful life of the asset is based on the life the Solar PV facilities are expected to be in operation.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

### 1.4 Impairment excluding stocks and deferred tax assets

*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

### 1.5 Decommissioning provision

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, 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.

## 1 Accounting policies (continued)

### 1.6 Turnover

#### Revenue

Revenue comprises the fair value of the consideration received or receivable in respect of the invoiced value of generated electricity, Renewable Obligation Certificates (ROCs) and accrued income. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

Revenue on the generation of energy comprises the value of units supplied during the year. Units are determined by energy volumes recorded on the solar park meters and market settlement systems.

Under the terms of its Power Purchase Agreements with customers, ROC's are immediately transferable to the customer. Revenue in relation to ROC's is recognised in line with the generation of energy.

Accrued income represents the sales value of energy (and related ROC's) which is yet to be invoiced and is based upon the value of units supplied with respect to energy and quantity of units supplied with respect to ROC's.

The company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

Sales of services: The Company provides management services to its subsidiaries in the form of asset management, corporate services and financing coordination services. These are charged by the Company to subsidiaries in the form of management service charges.

There is only one operating activity and all revenue is generated within the United Kingdom.

### 1.7 Expenses

#### Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case, the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### Interest receivable and interest payable

Interest payable and similar expenses includes interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**1 Accounting policies (continued)**

**1.8 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## 2 Staff numbers and costs

The Company had no employees during the period. Although there are 2 directors, whom are not paid by the group (2020: no employees), (2020: 2 directors)

## 3 Finance costs (net)

	2021	2020
	£	£
Interest payable and similar expenses	(304,893)	(305,728)
Unwinding of discount on decommissioning provision	(2,463)	(2,682)
	<u>(307,356)</u>	<u>(308,410)</u>

## 4 Tax on profit

### Analysis of tax credit

The tax credit on the loss for the year was as follows:

	2021	2020
	£	£
Deferred tax	7,765	70,399
<b>Total tax on loss</b>	<u>7,765</u>	<u>70,399</u>
 <b>Profit/(loss) before tax</b>	 <u>(83,887)</u>	 <u>(89,064)</u>
Effects of:		
- Tax at 19%	(15,939)	(16,922)
- Expenses not deductible for tax purposes	1,759	1,498
- Group relief losses (claimed)/surrendered for nil payment	21,736	89,885
- Effect of reduction in future tax rates	-	(3,309)
- Adjustments to tax charge in respect of previous years	-	(1,264)
- Deferred tax not provided	209	511
<b>Total tax expense/(credit)</b>	<u>7,765</u>	<u>70,399</u>

## 5 Turnover and revenue

An analysis of the Group's turnover by class of business is set out below.

	2021	2020
	£	£
<b>Turnover:</b>	<u>556,246</u>	<u>545,623</u>
	<u>556,246</u>	<u>545,623</u>

## 6 Tangible fixed assets

	2021	2020
	Plant & Equipment £	Plant & Equipment £
<b>Cost</b>		
Balance at 1 April 2020	5,174,548	5,174,548
<b>Balance at 31 March 2021</b>	<b><u>5,174,548</u></b>	<b><u>5,174,548</u></b>
<b>Depreciation and impairment</b>		
Balance at 1 April 2020	(742,438)	(535,609)
Depreciation charge for the year	(206,829)	(206,829)
<b>Balance at 31 March 2021</b>	<b><u>(949,267)</u></b>	<b><u>(742,438)</u></b>
<b>Net book value</b>		
At 1 April 2020	4,432,110	4,638,939
<b>At 31 March 2021</b>	<b><u>4,225,281</u></b>	<b><u>4,432,110</u></b>

### Security

The net amount of tangible and intangible assets is charged against security for liabilities with ING Bank.

## 7 Debtors

	2021	2020
	£	£
Trade Debtors	-	(450)
Inter-company	322,096	458,767
Accrued Income	101,076	98,823
Prepayments	490	9,970
VAT receivable	4,711	5,644
	<b><u>428,373</u></b>	<b><u>572,754</u></b>

## 8 Creditors: amounts falling due within one year

	2021	2021
	£	£
Trade creditors	(259)	(36,681)
Accruals and deferred income	(9,833)	(4,673)
Interest payable to parent	-	(238,524)
	<b><u>(10,092)</u></b>	<b><u>(279,878)</u></b>

**9 Creditors: amounts falling due after more than one year**

	2021	2020
	£	£
Amounts owed to parent	(5,081,500)	(5,081,500)
	<u>(5,081,500)</u>	<u>(5,081,500)</u>

The loan payable to the parent company, £5.1m (2020: £5.1m), is an unsecured loan made on normal commercial terms and conditions at an interest rate of 6% respectively. The loan is repayable on demand but the directors of the parent company have given an undertaking that they will not recall any of the loan within one year of when this financial statements are approved.

**10 Called-up share capital and reserves**

	2021	2020
	£	£
Allotted, called-up and fully-paid 1 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**11 Provisions for liabilities**

	Deferred Taxation	Decomm. Provision	Total
	£	£	£
At 1 April 2020	(70,399)	(109,687)	(180,086)
Charged to profit and loss account	(7,765)	(2,463)	(10,228)
Adjustment in respect of prior years	26,865	-	26,865
At 31 March 2021	<u>(51,299)</u>	<u>(112,150)</u>	<u>(163,449)</u>

A provision has been recognised for decommissioning costs associated with the solar farms owned by the group. The group is committed to decommissioning the solar farms as a result of the construction of the solar farms for the production of power.

The provision has been discounted at an annual rate of 1% (2020: 2.5%) and this discount will be unwound and charged to the profit and loss account. The estimated date of decommissioning would at least commence in 2041.

**12 Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of Daedalus Acquisitions Limited.

The largest group in which the results of the Company and its group are consolidated is that headed by FiveSuns 2 Limited, with registered address at 3rd Floor, 37 Esplanade, St Helier, Jersey JE1 1AD.

The Company is ultimately controlled by FiveSuns (Scot) LP. As FiveSuns (Scot) LP does not prepare consolidated accounts for public use, the most senior parent company which prepares consolidated accounts is FiveSuns 2 Limited.