

Carbon Trust Investments Limited

Financial statements for the year ended 31 March 2021

Registered number: 04649291



Company Information

Registered office: 4th Floor, Dorset House, 27-45 Stamford Street, London, SE1 9NT

Directors: Tom Delay
Michael Rea
Paul Jefferiss (Resigned 14th August 2020)
Timon Drakesmith (Appointed 20th July 2020)
Gina V Hall
Julia King (Resigned 14th August 2020)

Company Secretary: Laura Byrne

Bankers: Royal Bank of Scotland plc, 119/121 Victoria Street, London SW1E 6RA,
HSBC Bank Plc, 69 Pall Mall, London, SW1Y 5EY

Auditors: Grant Thornton UK LLP, 30 Finsbury Square, London, EC2A 1AG

Contents

	Page
Directors' report	4
Independent Auditor's report	7
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Notes to the financial statements	15

Directors' report

The Directors present their report on the affairs of the company together with the financial statements for the year ended 31 March 2021. The accounts have been prepared on a going concern basis. This Directors' report has been prepared in accordance with Section 415 of the Companies Act 2006.

Principal activities

The company is an investment holding company and its principal activity is to invest in companies whose purpose is the development and deployment of early stage low carbon technologies, processes and energy supplies. The company undertakes the Carbon Trust's investment activity. The company is wholly owned by the Carbon Trust.

Results and dividends

The audited financial statements for the year ended 31 March 2021 are set out on pages 12 to 22.

The Directors review the company's investment advisors' portfolio valuation annually. This valuation is prepared applying International Private Equity and Venture Capital guidelines. The Directors consider permanent impairment of the portfolio in light of this valuation. Permanent impairments in the carrying value of investments are expensed to the profit and loss. In the year the net impairment adjustments totalled £nil (2020: £291,964). The total loss for the year after taxation was £298,467 (2020: £354,882). The Directors authorised two interim dividends totalling £5,000,000 that were paid to its parent the Carbon Trust during the year (2020: £nil).

The company acts as a holding company. Its investments listed in note 9 are subject to the economic consequences arising from the COVID-19 Pandemic. Its investment management team remain close to our investment companies monitoring their response to COVID-19 and the current economic uncertainty.

Going concern

As the company has net assets and positive cash balances, while acting as a holding company with no fixed cost base, after reviewing the company's range of forecasts and projections prepared, informed by their monitoring of the continued impact and their response to COVID-19 and the current economic uncertainty, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

Directors' report

Directors

The Directors of the company during the financial year were:

Name	Position	Date of appointment
Tom Delay	Director	Appointed 26 March 2003
Julia King	Director	Appointed 16 July 2018 Resigned 14 August 2020
Gina V Hall	Director	Appointed 4 November 2011
Paul Jefferiss	Director	Appointed 26 March 2003 Resigned 14 August 2020
Timon Drakesmith	Director	Appointed 20 July 2020
Michael Rea	Director	Appointed 12 June 2008

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS102 - 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 and the profit or loss of the company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Directors' report

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information, of which the auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

To the best of our knowledge:

- The financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice in conformity with the requirements of the Companies Act 2016, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- The Directors' Report include a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face

Subject to the receipt of any objections as provided under statute or the company's Articles of Association, the company is relying on section 487 of the Companies Act 2006 for the deemed reappointment of Grant Thornton UK LLP as auditors.

Small company provisions

In preparing this report, the Directors have taken advantage of the small companies regime in Part 15 of the Companies Act 2006.

By order of the Board



Laura Byrne
Company Secretary
London
14 July 2021

Carbon Trust Investments Limited
Registered number: 04649291

Independent Auditor's report

Independent auditor's report to the members of Carbon Trust Investments Limited

Opinion

We have audited the financial statements of Carbon Trust Investments Limited (the 'company') for the year ended 31 March 2021, which comprise Statement of comprehensive income, Statement of financial position and Statement of changes in equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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. 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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Independent Auditor's 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.

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 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 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.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

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 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.

Independent Auditor's report

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How we obtained an understanding of the legal and regulatory framework

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and industry in which it operates through our commercial and sector experience; making enquiries of management and those charged with governance; and inspection of the company's key external correspondence. We corroborated our enquiries through our review of board minutes and other information obtained during the course of the audit.

Which laws and regulations we identified as being significant in the context of the company

- Through the understanding that we obtained, we determined the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006 and the relevant taxation legislation.

How we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimation and judgemental areas of the valuation and potential impairments of investments held as part of a portfolio; and through management override of controls.

Independent Auditor's report

- Our audit procedures included:
 - Making enquiries of management concerning the company's policies and procedures relating to the identification, evaluation and compliance with laws and regulations; the detection and response to the risks of fraud; and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations. We considered whether there is a culture of honesty and ethical behaviour within the company and whether there is a strong emphasis of prevention and deterrence of fraud amongst those charged with governance. We also enquired with management and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual, suspected, or alleged fraud;
 - Gaining an understanding of the controls that management has in place to prevent and detect fraud;
 - Challenging significant accounting assumptions, estimates and judgements made by management, including those relevant to the estimation and judgemental areas of the valuation and potential impairments of investments held as part of a portfolio;
 - Journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business and risk assessment obtained through the use of our data analytics software. The use of data analytics enabled us to identify the transactions that carried a perceived higher level of risk, which included a risk of adjustments to investments and revenue, in order to focus our testing;
 - Gaining and understanding of and testing significant identified related party transactions;
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and
 - Performing audit procedures to consider the compliance of disclosures in the financial statements with the applicable financial reporting requirements.
- Our audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

How we assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations

- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the company operates; and
 - Understanding of the legal and regulatory requirements specific to the company including; the provisions of the applicable legislation, the regulators rules and the applicable statutory provisions.

Which matters about non-compliance with laws and regulations and fraud were communicated the audit team

Independent Auditor's report

- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in relation to the estimation and judgemental areas of recognition and potential management bias in determining accounting estimates, especially in relation the valuation and potential impairments of investments held as part of a portfolio; and through management override of controls in the preparation of the financial statements.

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.



Paul Holland BSc BFP FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

20 July 2021

Statement of comprehensive income
For the year to 31 March 2021

	Note	Year to 31 March 2021	Year to 31 March 2020
		£	£
Administrative expenses		(255,228)	(309,920)
Net fair value adjustment to investments	5	-	(291,964)
Other operating income		-	52,512
Operating loss		(255,228)	(549,372)
Interest receivable and similar income	7	12,258	75,010
Loss on ordinary activities before taxation		(242,970)	(474,362)
Tax (charge)/credit on ordinary activities	8	(55,497)	119,480
Loss for the year		(298,467)	(354,882)
Total comprehensive deficit for the year		(298,467)	(354,882)

There were no recognised gains or losses for the year or the prior year other than the results stated above. All results relate to continuing operations.

The accompanying notes on pages 15 to 22 form part of these financial statements.

Statement of financial position
As at 31 March 2021

	Note	As at 31 March 2021 £	Restated As at 31 March 2020 £
Non-current assets			
Financial assets - Investment portfolio	9	-	-
Trade and other receivables	10	1	1
		<u>1</u>	<u>1</u>
Current assets			
Trade and other receivables	11	38	256,059
Liquid investments	12	500,000	5,500,000
Cash and cash equivalents	13	2,230,004	2,298,429
		<u>2,730,042</u>	<u>8,054,488</u>
Current liabilities			
Trade and other payables	14	-	(25,979)
Net current assets		<u>2,730,042</u>	<u>8,028,509</u>
Net assets		<u>2,730,043</u>	<u>8,028,510</u>
Called up share capital	15	1	1
Profit and loss account	16	2,730,042	8,028,509
Shareholders' funds		<u>2,730,043</u>	<u>8,028,510</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

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



Timon Drakesmith

Director

14 July 2021

Registered number: 04649291.

The accompanying notes on pages 15 to 22 form part of these financial statements.

Statement of changes in equity
As at 31 March 2021

	Called-up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	1	8,383,391	8,383,392
Total comprehensive deficit for the year	-	(354,882)	(354,882)
At 31 March 2020	1	8,028,509	8,028,510
Total comprehensive deficit for the year	-	(298,467)	(298,467)
Dividend	-	(5,000,000)	(5,000,000)
At 31 March 2021	1	2,730,042	2,730,043

Notes to the financial statements

1 Company information

Carbon Trust Investments Limited is a private company limited by shares, registered in England and Wales (registered number 04649291) incorporated in the United Kingdom under the Companies Act 1985. Its registered office is 4th Floor, Dorset House, 27-45 Stamford Street, London SE1 9NT. The nature of the company's operations and its principal operations are set out in the director report on page 4.

2 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Companies Act 2006.

The financial statements are presented in Pound Sterling (£).

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

The individual accounts of the company have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flow and related notes
- exposure to and management of financial risks
- related party disclosures with other parties within the group of which it is a member

Going concern

As the company has net assets and positive cash balances, while acting as a holding company with no fixed cost base, after reviewing the company's range of forecasts and projections prepared, informed by their monitoring of the continued impact and their response to COVID-19 and the current economic uncertainty, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

3 Significant judgements and estimates

In preparing these financial statements to conform to generally accepted accounting principles and by applying the group's accounting policies, management are required to use judgements in applying assumptions which affect the reported amounts. The item in the financial statements where these judgements have been made is:

Financial assets - investment portfolio

Unlisted investments held within the investment portfolio are not traded on an active market and therefore judgement is used in determining the fair value of these investments.

In line with IPEVC guidelines, the company makes judgements as to the fair value of its investment portfolio, based on internal and external indicators. Firstly recent market transactions are used, in the absence of transactions in the investee company, market transactions of like companies are considered. Where available the investee company trading results and or projections are taken into account, and earnings or revenue multiples from market transactions of like companies are used in preparing a detailed assessment of the enterprise values for all companies. The assumptions used are further discussed in note 9.

Notes to the financial statements

4 Principal accounting policies

Significant accounting policies, all of which have been applied consistently throughout the year, are as follows:

a) Cashflow exemption

The company has not prepared a cash flow statement as it is exempt from the requirement to do so under FRS 102 Section 1.12. The company is a 100% owned subsidiary where group financial statements are publicly available.

b) Foreign currency

Transactions in foreign currencies are translated into sterling at exchange rates prevailing on the date of the transactions. Exchange differences are recognised in the 'Statement of comprehensive income' on settlement of these transactions.

c) Corporation tax

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

d) Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised to the extent that it is probable that that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transactions that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and the group intends to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the financial statements

e) Cash & cash equivalents

UK Cash and cash equivalents comprise cash in hand, cash held at bank with immediate access and bank deposits with maturities of three months or less.

f) Liquid investments

Liquid investments comprise of bank deposits with maturities of greater than three months, but less than twelve.

g) Liabilities for goods and services

Trade payables represent goods and services invoiced and not yet paid. Trade and other payables are measured at the transaction price and recognised at the date on which goods and services are receivable by the company. Where the company is not yet in receipt of a supplier invoice and there is an obligation to pay for goods and services receivable, the amount is recognised as an accrual.

h) Trade receivables

Trade and other receivables are measured at transaction price, less any impairment.

i) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received excluding discounts, rebates, valued added taxes and sales taxes.

j) Financial assets

I) Investments are recognised or derecognised on the date when the purchase or sale of the investment becomes unconditional.

II) Equity investments are recognised initially at fair value. Subsequently all quoted and unquoted equity investments are measured at 'fair value through profit and loss' and are carried in the statement of financial position at fair value.

III) All unlisted investments are held at fair value by applying the International Private Equity and Venture Capital ('IPEVC') valuation guidance.

IV) Any acquisition costs arising from the purchase of equity investments are expensed immediately in the Statement of comprehensive income.

V) Investment gains or losses arise from the sale of investment portfolio, being the difference between the net sale proceeds and the carrying value at the start of the accounting period, and unrealised profits or losses on the revaluation of investments, being the movement in the fair value of investments between the start and the end of the accounting period. These are included within finance cost or income as appropriate in the statement of comprehensive income.

Notes to the financial statements

5 Loss on ordinary activities before taxation

Loss on ordinary activities is stated after charging/(crediting):

	Year to 31 March 2021 £	Year to 31 March 2020 £
Net fair value adjustment to investments (note 9)	-	291,964
Foreign exchange gain/(loss)	10	(25)

The company's audit fees for the year to 31 March 2021 of £5,400 (2020: £5,000) and tax fees of £3,255 (2020: £3,175) were borne by the Carbon Trust.

6 Staff costs and Directors' remuneration

The company had nil employees in the year (2020: nil). A management fee charge of £200,000 (2020: £200,000) in respect of administration costs has been paid to the Carbon Trust.

Some Directors of the company receive remuneration from its parent company, the Carbon Trust (a separate limited company). The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the company and their services as employees of the Carbon Trust. The total remuneration received from the parent company by these directors was £1,052,869 (2020: £946,595).

7 Interest receivable and similar income

	Year to 31 March 2021 £	Year to 31 March 2020 £
Bank interest income	12,258	75,010

Notes to the financial statements

8 Tax on loss on ordinary activities

(a) Analysis of corporation tax for the year

	Year to 31 March 2021 £	Year to 31 March 2020 £
Current tax:		
Group relief receivable	(37)	(55,534)
Adjustments in respect of previous periods	55,534	(63,946)
Total current tax charge/(credit)	55,497	(119,480)

(b) Factors affecting corporation tax charge for the year

The difference between the total current corporation tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	Year to 31 March 2021 £	Year to 31 March 2020 £
Loss on ordinary activities before taxation	(242,970)	(474,362)
Loss on ordinary activities multiplied by the average UK corporation tax company rate of 19% (2019: 19%)	(46,164)	(90,129)
Net effects of:		
Expenditure not deductible for tax purposes	-	55,475
Chargeable gains arising on disposal of investments	174,283	-
Tax losses utilised	(128,156)	(20,880)
Adjustments to tax charge in respect of prior years	55,534	(63,946)
Total income tax charge/(credit)	55,497	(119,480)

There is an unrecognised deferred tax asset of £462,797 (2020: £602,517) as at 31 March 2021 in respect of losses carried forward which are valued at the future tax rate of 19% (2020: 19%). This deferred tax asset has not been recognised on the basis that there is insufficient evidence of taxable profits arising in the future against which it can be recovered.

Notes to the financial statements

9 Financial assets - Investment portfolio

	At 31 March 2021 £	At 31 March 2020 £
Equity investments and convertible loan stock	-	-

All investments are valued under IPEVC, and the movement in their value during the year is as follows:

	2021 £	2020 £
	Total	Total
At 1 April	-	291,964
Change in fair value recognised using IPEVC valuation guidelines	-	(291,964)
At 31 March	-	-

At the year end, the directors reviewed the fair value of the company's investments and following this review, a fair value of £nil (2020: £291,964 decrease) was deemed necessary. The company is exposed to fluctuations in the fair value of its investment portfolio through its income statement as a result of changes in the outcome of the valuation guidelines applied per note 4(j).

10 Trade and other receivables (Non-current)

	2021 £	2020 £
Unpaid share capital	1	1
	1	1

11 Trade and other receivables (Current)

	2021 £	2020 £
Amounts due from group undertakings	38	256,059
	38	256,059

Notes to the financial statements

12 Liquid investments

	2021	2020
	£	£
Cash deposits	500,000	5,500,000
	<u>500,000</u>	<u>5,500,000</u>

Cash deposits with a 95-day notice term.

13 Cash and Cash equivalents

	2021	2020
	£	£
Cash in bank	730,004	298,429
Cash equivalents	1,500,000	2,000,000
	<u>2,230,004</u>	<u>2,298,429</u>

Cash in bank is cash with immediate access.

Cash equivalents is cash on deposit with a maturity of three months or less.

14 Trade and other payables

	2021	2020
	£	£
Other Payables	-	401
Amounts owed to group undertakings	-	25,578
	<u>-</u>	<u>25,979</u>

15 Called up share capital

	2021	2020
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Authorised, issued and unpaid		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

All ordinary shares issued carry equal voting rights.

Notes to the financial statements

16 Reserves

Called up share capital - represents the nominal value of shares that have been issued.

Profit or loss account - includes all current and prior period retained profits and losses.

Included in reserves are £1,613,790 (2020: £1,868,992) restricted for reuse in low carbon technology investment.

17 Controlling party

The company's ultimate and immediate parent undertaking, ultimate controlling party and parent of the smallest and largest group into which the company's results are consolidated is the Carbon Trust, a company limited by guarantee and incorporated in England and Wales. Its financial statements are available from the company's registered office at: 4th Floor, Dorset House, 27-45 Stamford Street, London, SE1 9NT.

18 Related party transactions

The company is exempt from disclosing transactions with other companies within the group headed up by The Carbon Trust in accordance with paragraph 33.1A of FRS 102. There are no other related party transactions (2020: £0).

19 Post balance sheet events

Management has determined there are no adjusting or non-adjusting events which require disclosure in the financial statements.