

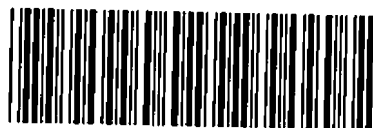
Registration number: 05867553

Mitsui Renewable Energy Europe Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020

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Mitsui Renewable Energy Europe Limited

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Mitsui Renewable Energy Europe Limited

Company Information

Directors	T Sasaki K Nozawa
Company secretary	Vistra Company Secretaries Limited First Floor, Templeback 10 Temple Back Bristol United Kingdom BS1 6FL
Registered office	8th and 9th Floors 1 St. Martin's Le Grand London EC1A 4AS
Bankers	Sumitomo Mitsui Banking Corporation 99 Queen Victoria Street London United Kingdom EC4V 4EH
Auditors	BDO LLP 55 Baker Street London United Kingdom W1U 7EU

Mitsui Renewable Energy Europe Limited

Directors' Report for the Year Ended 31 March 2020

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

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The directors has taken exemption under this regime not to disclose the strategic report.

Directors' of the company

The directors, who held office during the year, were as follows:

M Ichikawa (appointed 2 December 2019 and resigned 28 September 2020)

T Sasaki (appointed 2 December 2019)

K Katamura (resigned 2 December 2019)

H Kayamori (resigned 2 December 2019)

The following director was appointed after the year end:

K Nozawa (appointed 28 September 2020)

Principal activity

The principal activity of the company is operating as a special purpose vehicle, which holds investments in Guzman Energy O&M, S.L. and Guzman Energia S.L. (Spanish companies which operate solar thermal electric power plant). The Company is a subsidiary of Mitsui & Co., Ltd., which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance and risk management.

Dividends

The directors do not anticipate any significant changes to the level of the Company's activities in the forthcoming year. The directors have not recommended a dividend for the year ended 31 March 2020 and no dividends were declared or paid for the year ended 31 March 2019.

Business review

Fair review of the business

The Company's financial performance as presented in the statement of comprehensive income, shows a profit after tax of €3,257,033 (2019: €8,092). At the end of the year, the financial position showed total assets of €4,301,313 (2019: €761,177), and net assets of €4,141,605 (2019: €479,572). The Company has not yet received dividends from its investments, and it recognised €34,731 (2019: NIL) from its loan finance to investee companies.

In November 2019, the Company sold its investment, including shareholder loans, in Zajaczkowo Windfarm sp. Z.o.o.. Net proceeds from the sale were PLN18,283,217, or approx. €4,304,232. A reversal of previously recognised impairment on the investment was recorded as a gain on the statement of comprehensive income. Further information about the sale transaction is disclosed in the notes to the financial statements.

Key performance indicators

The Company's key performance indicators ('KPIs') are dividend income from its investments and net interest income from long term loan financing provided to companies it invests in. There was no dividend income in the current year (2019: nil).

The company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Net interest income on loans to investments	€	34,731.00	-

Mitsui Renewable Energy Europe Limited

Directors' Report for the Year Ended 31 March 2020

Principal risks and uncertainties

The principal risk to which the Company is exposed to is recoverability of its loans, to Guzman Energy O&M, S.L. which is monitored closely by the directors through regular assessment of the financial performance, financial condition and the macro-economic factors impacting the sectors in which the borrowers operate.

The COVID-19 pandemic has presented additional risks and uncertainties, such as increased volatility and disruption to global markets and supply chains, which could adversely affect the performance and valuation of the Company's investments. The Company continues to monitor developments closely and respond appropriately to risks as they arise.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out above. The Company's has net assets of €4,141,605 (2019: €479,572).

The directors are confident that they will be able to call on the financial support of Mitsui & Co., Ltd., the ultimate parent undertaking, should it be required and on this basis, the directors are confident that adequate financial resources will continue to be made available to the Company for the foreseeable future.

As a consequence, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

Directors' liabilities

Qualifying third party indemnity provisions for the benefit of the Company's directors remain in force at the date of this report.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of BDO LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 29 October 2020 and signed on its behalf by:



.....
T Sasaki
Director

Mitsui Renewable Energy Europe Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Mitsui Renewable Energy Europe Limited

Independent Auditor's Report to the Members of Mitsui Renewable Energy Europe Limited

Opinion

We have audited the financial statements of Mitsui Renewable Energy Europe Limited (the 'Company') for the year ended 31 March 2020, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework', in accordance with the provisions applicable to companies subject to the small companies regime.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Mitsui Renewable Energy Europe Limited

Independent Auditor's Report to the Members of Mitsui Renewable Energy Europe Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

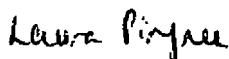
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Mitsui Renewable Energy Europe Limited

Independent Auditor's Report to the Members of Mitsui Renewable Energy Europe Limited

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.



.....
Laura Pingree (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street
London
United Kingdom
W1U 7EU

29 October 2020

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

Mitsui Renewable Energy Europe Limited

Income Statement for the Year Ended 31 March 2020

	Note	2020 €	2019 €
Revenue		77,585	76,741
Administrative expenses	4	(761,728)	(504,271)
Other gains	5	<u>4,096,930</u>	<u>-</u>
Operating profit/(loss)		<u>3,412,787</u>	<u>(427,530)</u>
Interest receivable and similar income	6	49,739	-
Interest payable and similar expenses	7	<u>(263,559)</u>	<u>(35,198)</u>
Net finance cost		<u>(213,820)</u>	<u>(35,198)</u>
Profit/(loss) before tax		3,198,967	(462,728)
Income tax receipt	9	<u>58,066</u>	<u>470,820</u>
Profit for the year		<u><u>3,257,033</u></u>	<u><u>8,092</u></u>

The above results were derived from continuing operations.

The notes on pages 12 to 22 form an integral part of these financial statements.

Mitsui Renewable Energy Europe Limited

Statement of Comprehensive Income for the Year Ended 31 March 2020

	2020	2019
	€	€
Profit for the year	<u>3,257,033</u>	<u>8,092</u>
Total comprehensive income for the year	<u>3,257,033</u>	<u>8,092</u>

The notes on pages 12 to 22 form an integral part of these financial statements.

Mitsui Renewable Energy Europe Limited


(Registration number: 05867553)

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 €	31 March 2019 €
Assets			
Non-current assets			
Investments	10	17,402	17,402
Trade and other receivables	11	<u>360,001</u>	<u>534,396</u>
		<u>377,403</u>	<u>551,798</u>
Current assets			
Trade and other receivables	11	3,455,544	29,723
Income tax asset	9	58,066	56,314
Cash and cash equivalents		<u>410,300</u>	<u>123,342</u>
		<u>3,923,910</u>	<u>209,379</u>
Total assets		<u><u>4,301,313</u></u>	<u><u>761,177</u></u>
Equity and liabilities			
Equity			
Share capital	12	48,049,902	47,644,902
Foreign currency translation reserve	13	523,078	523,078
Retained earnings		<u>(44,431,375)</u>	<u>(47,688,408)</u>
		4,141,605	479,572
Current liabilities			
Trade and other payables	14	<u>159,708</u>	<u>281,605</u>
Total equity and liabilities		<u><u>4,301,313</u></u>	<u><u>761,177</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 29 October 2020 and signed on its behalf by:



 T Sasaki
 Director

Mitsui Renewable Energy Europe Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Share capital	Foreign currency translation	Retained earnings	Total
	€	€	€	€
At 1 April 2018	47,644,902	523,078	(47,696,500)	471,480
Profit for the year	-	-	8,092	8,092
Total comprehensive income	-	-	8,092	8,092
At 31 March 2019	47,644,902	523,078	(47,688,408)	479,572
	Share capital	Foreign currency translation	Retained earnings	Total
	€	€	€	€
At 1 April 2019	47,644,902	523,078	(47,688,408)	479,572
Profit for the year	-	-	3,257,033	3,257,033
Total comprehensive income	-	-	3,257,033	3,257,033
New share capital subscribed	405,000	-	-	405,000
At 31 March 2020	48,049,902	523,078	(44,431,375)	4,141,605

The notes on pages 12 to 22 form an integral part of these financial statements.

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

8th and 9th Floors
1 St. Martin's Le Grand
London
EC1A 4AS
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The Company is incorporated in the United Kingdom under the Companies Act. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 2.

The Company's financial statements are prepared on a historical cost basis and are presented in Euro (€), the currency of the primary economic environment which the Company operates.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the consolidated accounts of Mitsui & Co., Ltd. The consolidated accounts of Mitsui & Co., Ltd. are available to the public and can be obtained as set out in note 16.

Separate financial statements

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the consolidated accounts of Mitsui & Co., Ltd.

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Going concern

The financial statements have been prepared on a going concern basis.

On March 11, 2020, the World Health Organisation declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Company cannot reasonably estimate the length or severity of this pandemic, however it continues to monitor COVID-19 developments, including the impact on global markets and supply chains.

The uncertainty surrounding the potential economic consequences of the pandemic, and their magnitude, present additional risk in respect of the future performance and valuation of the Company's investments. However, the extent to which this event may impact the Company's business will depend on future developments, which are highly uncertain and cannot be predicted at this time.

The Company holds significant liquid and current assets, with no significant liabilities. The net assets on hand are sufficient to cover budgeted expenditures over the next financial year and into the foreseeable future. As disclosed within the Directors' Report, the directors conclude it is appropriate to continue to adopt the going concern assumption.

Summary of disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Reclassification and restatement of comparative information

Following the implementation of new financial reporting systems and processes, the Company has made various changes to the presentation of its financial statements. Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. Comparative information that differs to that disclosed in previously issued financial statements is labelled as restated.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2019 have had a material effect on the financial statements.

Revenue

Revenue comprises the value of work carried out in respect of services provided to customers, and/ or dividend income from the Company's investments. Service fee is recognised on a straight-line basis. Dividend income is recognised when the Company's right to receive payment is established. All of the revenue recognised in the statement of comprehensive income relates to those generated from services provided to customers.

Foreign currency transactions and balances

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. At the balance sheet date, foreign currency monetary items are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Interests in associates

Interests in associates are accounted for at cost less, where appropriate, provisions for impairment. An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for investments in accordance with IAS 36 Impairment of Assets. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Financial instruments

Initial recognition

The company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities as at the reporting dates and the amounts for revenues and expenses during the year. However, the nature of estimation means that actual results may differ from these estimates.

In the process of applying the Company's accounting policies, management has made the following judgements and estimations which have the most significant effect on the amounts recognised in the financial statements:

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets (including interests in associates held at cost) in accordance with IAS 36 Impairment of Assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

4 Administrative expenses

	2020 €	2019 (restated) €
Intra-Group Service Paid	141,702	128,376
Professional Services	427,984	247,324
Legal Fees	169,038	112,646
Audit of the financial statements	11,971	11,755
Taxation compliance services	9,807	3,581
Other expenses	1,226	589
	<u>761,728</u>	<u>504,271</u>

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2020	2019
	€	€
Gain (loss) from revaluation of investments	<u>4,096,930</u>	<u>-</u>

Gain in relation to sale of investment in associate

On 8 November 2019, the Company sold its investment in Zajaczkowo Windfarm sp. Z.o.o. (ZWS) to a third party purchaser. The sale effected the transfer of all share capital and shareholder loans previously held by the Company, to the purchaser, following the settlement of certain loan obligations ZWS had with its bank. The net proceeds of the sale after extinguishing the loan was €4,304,232. At 1 April 2019, the equity investment, 2007 shareholder loan of €6,100,000 and related accrued interest were fully impaired, with only the 2019 shareholder loan principal of PLN750,000 unimpaired. Upon sale of ZWS, previously recognised impairment was reversed, and a gain of €4,096,930 was recorded on revaluation.

6 Interest receivable and similar income

	2020	2019
	€	€
Interest income on held-to-maturity investments	<u>49,739</u>	<u>-</u>

7 Interest payable and similar expenses

	2020	2019
	€	€
Interest paid to group undertakings	7,178	15,776
Foreign exchange (gains) / losses	255,727	19,422
Other finance costs	<u>654</u>	<u>-</u>
	<u>263,559</u>	<u>35,198</u>

8 Directors' and employee remuneration

The average number of directors for the year is two (2019: two). The directors did not receive any remuneration in respect of services to the Company during the year (2019: NIL). The Company employed no direct staff (2019: NIL) and incurred no staff costs during the year (2019: NIL).

9 Income tax

Tax charged/(credited) in the income statement

	2020	2019
	€	€
Current taxation		
UK corporation tax adjustment to prior periods	<u>(58,066)</u>	<u>(470,820)</u>

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 €	2019 (restated) €
Profit/(loss) before tax	<u>3,198,967</u>	<u>(462,728)</u>
Corporation tax at standard rate	607,804	(87,918)
Decrease in current tax from adjustment for prior periods	(58,066)	(470,820)
Tax decrease from utilisation of tax losses	(607,804)	-
Increase in current tax from unrecognised tax loss or credit	-	88,125
Other tax effects for reconciliation between accounting profit and tax income	<u>-</u>	<u>(207)</u>
Total tax credit	<u>(58,066)</u>	<u>(470,820)</u>

Deferred tax

There are €16,186,324 of unused tax losses (2019 - €19,385,291) for which no deferred tax asset is recognised in the statement of financial position.

10 Investments

Associates

	€
Cost or valuation	
At 1 April 2019	<u>25,315,085</u>
At 31 March 2020	<u>25,315,085</u>
Provision	
At 1 April 2019	<u>25,297,683</u>
At 31 March 2020	<u>25,297,683</u>
Carrying amount	
At 31 March 2020	<u>17,402</u>

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Details of the associates as at 31 March 2020 are as follows:

Name of associate	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2020	2019
Guzman Energia, S.L.	Developing, building and operating a solar thermal power plant	Palma del Río Calle Portada 11 Córdoba Spain	30%	30%
Guzman Energy O&M, S.L.	Operating and maintenance of a solar thermal power plant	Calle Federico Salmón 13 Madrid Spain	30%	30%
Zajaczkowo Windfarm sp. Z.o.o.	Operating wind farms	Witosa 27 76-251 Kobylnica Poland	0%	50%

Sale of investment in Zajaczkowo Windfarm sp. Z.o.o.

On 8 November 2019, the Company sold its investment in Zajaczkowo Windfarm sp. Z.o.o. (ZWS) to a third party purchaser. The sale effected the transfer of all share capital and shareholder loans previously held by the Company, to the purchaser. At 31 March 2020, the Company retains no ownership interest, voting rights, or control in respect of ZWS, and it has ceased to be an associate under applicable financial reporting standards. Further information about the sale transaction is disclosed at note 5.

11 Trade and other receivables

	31 March 2020 €	31 March 2019 (restated) €
Provision for impairment of trade receivables	-	(639,974)
Receivables from related parties	3,418,679	-
Accrued income	6,981	639,974
Prepayments	147	-
Other receivables	29,737	29,723
	<u>3,455,544</u>	<u>29,723</u>

In the previous financial year ended 31 March 2019, the Company had, in relation to a shareholder loan to Zajaczkowo Windfarm sp. Z.o.o. (ZWS), recognised accrued interest income of €639,974 and a corresponding provision for impairment of €(639,974). Both of these balances were written off following the sale of ZWS during the period. Further information about the ZWS sale is disclosed at notes 5 and 10.

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Details of non-current trade and other receivables

€360,001 (2019 -€534,396) of Receivables from associates is classified as non current. The Company provided a loan to Guzman Energy O&M, S.L. of €360,000 in during the year ended 31 March 2019, as a long-term loan (maturity on 22 October 2021) with interest rate at 3.25%.

The Company provided a loan to Zajaczkowo Windfarm sp. Z.o.o. (ZWS) of €6,100,000 on 1 January 2011 as a long-term loan (maturity on 23 March 2027) with interest rate at 6 months LIBOR + 2.5%. Impairment of € 4,786,400 was made during the year ended 31 March 2014. Additional impairment of €1,313,600 was made during the year ended 31 March 2018.

The Company provided a loan to ZWS of PLN 750,000 during the year ended 31 March 2019, as a long-term loan (maturity on 23 March 2027) with interest rate at 6 months PLN WIBOR + 2.5%.

On 8 November 2019, the ZWS investment and related loans were disposed of by way of sale.

2020			
	Gross carrying amount €	ECL allowance €	Carrying amount €
At amortised cost	360,001	-	360,001
Loan to an associate	<u>360,001</u>	<u>-</u>	<u>360,001</u>
2019			
	Gross carrying amount €	ECL allowance €	Carrying amount €
At amortised cost	20,687,837	20,153,441	534,396
Loan to an associate	<u>20,687,837</u>	<u>20,153,441</u>	<u>534,396</u>

12 Share capital

Allotted, called up and fully paid shares

	31 March 2020		31 March 2019	
	No.	€	No.	€
Ordinary shares of €1.20 (2019 - €1.20) each	<u>40,118,480</u>	<u>48,049,902.00</u>	<u>39,780,331</u>	<u>47,644,902.44</u>

New shares allotted

During the year 338,149 Ordinary shares having an aggregate nominal value of €405,000 were allotted for an aggregate consideration of €405,000.

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

13 Foreign currency translation reserve

The Company changed its functional currency on 22 March 2012, from British Pound Sterling to Euro. This is to better reflect underlying transactions, events and conditions, as the Company's investments and financial activities are executed in Euro. The assets and liabilities were converted at exchange rate at year-end rate, capital stock was converted using the historical rate, and retained earnings were converted by accumulating the profit of each year converted at average exchange rate for the year. This generated the translation reserves, amounting to €523,078 as at 31 March 2012. The balance remains unchanged as at 31 March 2020 (2019: €523,078).

14 Trade and other payables

	31 March 2020 €	31 March 2019 (restated) €
Accrued expenses	20,944	29,477
Amounts due to related parties	51,942	251,702
Other payables	86,822	426
	<u>159,708</u>	<u>281,605</u>

15 Related party transactions

The Company has taken the exemption from disclosing transactions between wholly-owned members of the group. Therefore, the amounts disclosed above relate to transactions with non-wholly-owned members only.

Summary of transactions with associates

Transactions with associates relate to fees arising from services rendered to Guzman Energia, S.L. and interest on loans to Guzman Energy O&M, S.L. and Zajaczkowo Windfarm sp. Z.o.o.

Refer to note 11 for the amounts outstanding at reporting date. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Summary of transactions with other related parties

Other related parties comprise entities within the Mitsui & Co. Ltd group.

Transactions include accrued service fees, deposits, interest, and group relief settlement.

Mitsui Renewable Energy Europe Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

Income and receivables from related parties

	Associates
	€
2020	
Receipt of services	77,585
Settlement of liabilities	52,171
Amounts receivable from related party	11,655
	Associates
	€
2019	
Receipt of services	76,741

Expenditure with and payables to related parties

	Other related parties
	€
2020	
Amounts payable to related party	21,288
	Other related parties
	€
2019	
Amounts payable to related party	18,382

16 Parent and ultimate parent undertaking

The company's immediate parent is Mitsui & Co. Ltd.

The most senior parent entity producing publicly available financial statements is Mitsui & Co. Ltd. These financial statements are available upon request from 2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Mitsui & Co. Ltd. incorporated in Japan.

The address of Mitsui & Co. Ltd is:

2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan