

UK Mainstream Renewable Power Limited

**Directors' report and financial statements
for the year ended 31 December 2021**

Company Registered Number

06538309



UK MAINSTREAM RENEWABLE POWER LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2021**

	Page
COMPANY INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	4
DIRECTORS' RESPONSIBILITIES STATEMENT	5
INDEPENDENT AUDITOR'S REPORT	6
PROFIT AND LOSS ACCOUNT	9
STATEMENT OF COMPREHENSIVE LOSS	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL STATEMENTS	13

UK MAINSTREAM RENEWABLE POWER LIMITED

COMPANY INFORMATION

DIRECTORS

Cameron Smith
Adam Bruce
Simon Counsell

REGISTERED OFFICE

10 Orange Street,
Haymarket,
London,
WC2H 7DQ,
United Kingdom.

AUDITOR

Ernst & Young,
Chartered Accountants,
Ernst & Young Building,
Harcourt Centre,
Harcourt Street,
Dublin 2,
Ireland.

SOLICITORS

Shepherd and Wedderburn LLP,
Condor House,
10 St. Paul's Churchyard,
London,
EC4M 8AL,
United Kingdom.

BANKERS

Bank of Ireland,
Bows Bell House,
1 Bread Street,
London,
EC4M 9BE,
United Kingdom.

UK MAINSTREAM RENEWABLE POWER LIMITED

STRATEGIC REPORT for the year ended 31 December 2021

The Directors present their Strategic Report, Directors' Report and the audited financial statements of UK Mainstream Renewable Power Limited (the "Company") for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES


UK Mainstream Renewable Power Limited is a wholly owned subsidiary of International Mainstream Renewable Power Limited. The principal activities of the company are the provision of development and sale services for renewable energy generation assets to group companies, as well as the management of the offshore portfolio.

PRINCIPAL RISKS AND UNCERTAINTIES

Under UK Company Law, the Company is required to provide a description of the principal risks and uncertainties which it faces. The principal risks facing the Company are the ability and willingness of the Company's intermediate parent, Mainstream Renewable Power Limited, to continue to provide financial support. If funding from the Company's intermediate parent were to cease, this would have a material impact on the Company's ability to operate as a going concern.

The Directors of the Company feel that the funding risks are mitigated due to Company's intermediate parent indicating that it is willing to provide financial support to the Company for the foreseeable future.

On behalf of the Board

DocuSigned by:

27A038076CC403

Simon Counsell
Director

DocuSigned by:

026785E0F8C4E9

Adam Bruce
Director

15 June 2022

UK MAINSTREAM RENEWABLE POWER LIMITED

DIRECTORS' REPORT for the year ended 31 December 2021

RESULTS AND DIVIDENDS

The results for the year are set out on page 9. No dividend is proposed for the year ended 31 December 2021 (2020: £nil).

DIRECTORS

The names of the persons who were Directors at any time during the financial year ended 31 December 2021 are set out on page 2. Unless indicated otherwise they served as Directors for the entire year. The Directors are not required to retire by rotation.

POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political or charitable donations during the year (2020: £nil).

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Director's Report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

GOING CONCERN

On an annual basis the Directors review the appropriateness of preparing the financial statements under the going concern principle. The Directors monitor short-term and long-term cash flow forecasts, including stress test scenarios, to ensure that the Group has adequate working capital to continue in operational existence for the foreseeable future.

Based upon the assessment performed, the Directors determine it appropriate to prepare the financial statements using the going concern principle.

The Company is in a net liability position. This risk is mitigated by the Company's intermediate parent indicating that it is willing to provide financial support to the Company for the foreseeable future.

UK MAINSTREAM RENEWABLE POWER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT **for the year ended 31 December 2021**

The Directors are responsible for preparing the Strategic Report, 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 Reduced Disclosure Framework.

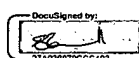
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the end of the financial year, and the profit or loss for the Company for the financial year, and otherwise comply with the Companies Act.

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

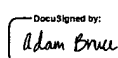
- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards; 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 responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board


27A036079CC403...

Simon Counsell
Director


028765E9F89C4E9...

Adam Bruce
Director

15 June 2022



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK MAINSTREAM RENEWABLE POWER LIMITED

Opinion

We have audited the financial statements of UK Mainstream Renewable Power Limited (the 'company') for the period ended 31 December 2021 which comprise the Statement of Comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 15, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK MAINSTREAM RENEWABLE POWER LIMITED
(continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK MAINSTREAM RENEWABLE POWER LIMITED
(continued)

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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its domestic operations, including health and safety, employees, data protection and anti-bribery and corruption.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities, where applicable.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. We tested specific transactions backing to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of management and those charged with governance, review of board minutes and review of management's policies and procedures that have been established to prevent non-compliance with such laws and regulations.

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.

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.

Ian Venner (Senior statutory auditor)

for and on behalf of Ernst & Young Chartered Accountants, Statutory Auditor
Dublin

17 June 2022

UK MAINSTREAM RENEWABLE POWER LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2021

		2021	2020
	Note	£	£
Development expenses		<u>(1,996,608)</u>	<u>(1,807,484)</u>
Gross loss		<u>(1,996,608)</u>	<u>(1,807,484)</u>
Operating income	5	2,175,702	-
Operating expenses		<u>(3,270,431)</u>	<u>(1,702,279)</u>
Loss on ordinary activities before taxation	7	<u>(3,091,337)</u>	<u>(3,509,763)</u>
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u><u>(3,091,337)</u></u>	<u><u>(3,509,763)</u></u>

UK MAINSTREAM RENEWABLE POWER LIMITED

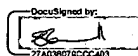
STATEMENT OF COMPREHENSIVE LOSS
for the year ended 31 December 2021

	2021	2020
	£	£
Loss for the year	<u>(3,091,337)</u>	<u>(3,509,763)</u>
Other comprehensive loss	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u><u>(3,091,337)</u></u>	<u><u>(3,509,763)</u></u>

UK MAINSTREAM RENEWABLE POWER LIMITED**STATEMENT OF FINANCIAL POSITION**
As at 31 December 2021

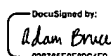
	Note	2021 £	2020 £
CURRENT ASSETS			
Debtors	9	2,918,332	657,405
Cash at bank	10	72,025	129,769
		<u>2,990,357</u>	<u>787,174</u>
CURRENT LIABILITIES			
Creditors	11	<u>(25,238,998)</u>	<u>(19,944,478)</u>
NET CURRENT LIABILITIES		<u>(22,248,641)</u>	<u>(19,157,304)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(22,248,641)</u>	<u>(19,157,304)</u>
NET LIABILITIES		<u>(22,248,641)</u>	<u>(19,157,304)</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Share based payment reserve		685,248	685,248
Profit and loss account deficit		<u>(22,933,890)</u>	<u>(19,842,553)</u>
SHAREHOLDERS' DEFICIT		<u>(22,248,641)</u>	<u>(19,157,304)</u>

On behalf of the Board

DocuSigned by:

 27A238076CC403...

Simon Counsell
 Director

15 June 2022

DocuSigned by:

 020705E9F8DCAE9...

Adam Bruce
 Director

UK MAINSTREAM RENEWABLE POWER LIMITED**STATEMENT OF CHANGES IN EQUITY***For the year ended 31 December 2021*

	Called up share capital	Share based payment reserve	Profit and loss account deficit	Shareholders' deficit
	£	£	£	£
At 1 January 2021	1	685,248	(19,842,553)	(19,157,304)
Loss for the year	-	-	(3,091,337)	(3,091,337)
Total Comprehensive Loss	-	-	(3,091,337)	(3,091,337)
As at 31 December 2021	1	685,248	(22,933,890)	(22,248,641)

For the year ended 31 December 2020

	Called up share capital	Share based payment reserve	Profit and loss account deficit	Shareholders' deficit
	£	£	£	£
At 1 January 2020	1	685,248	(16,332,790)	(15,647,541)
Loss for the year	-	-	(3,509,763)	(3,509,763)
Total Comprehensive Loss	-	-	(3,509,763)	(3,509,763)
As at 31 December 2020	1	685,248	(19,842,553)	(19,157,304)

UK MAINSTREAM RENEWABLE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

1. CORPORATE INFORMATION, PARENT COMPANY AND CONTROLLING PARTY

UK Mainstream Renewable Power Limited is a UK domiciled company, incorporated in the UK. The Company's registered office is located at 10 Orange Street, Haymarket, London, WC2H7DQ.

The company's intermediate parent company as at 31 December 2021 was Mainstream Renewable Power Limited. Copies of Mainstream Renewable Power Limited consolidated financial statements can be obtained from:

The Company Secretary,
Mainstream Renewable Power Limited,
Ground Floor, Block G,
Leopardstown,
Dublin 18,
Ireland.

On 11 May 2021, Aker Horizons ASA finalised and closed a transaction to acquire Mainstream Renewable Power Limited. The ultimate parent company from 11 May 2021 is Aker ASA.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101") and comply with financial reporting standards of the Financial Reporting Council.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- The requirements of IAS 7: Statement of Cash Flows;
- The requirement in paragraph 30 of IAS 1: Presentation of Financial Statements, to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73(e) of IAS 16: Property, Plant and Equipment;
- The requirements of paragraph 10(d), 111 and 134-136 of IAS 1: Presentation of Financial Statements;
- The requirements of IFRS 7: Financial Instruments: Disclosures;
- The requirements paragraph 17 of IAS 24: Related Party Disclosures;
- The requirements of paragraphs 30 and 31 of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

The Company has availed of the disclosure exemptions contained in FRS 101 on the basis of disclosures provided in the consolidated financial statements of Mainstream Renewable Power Limited in which the results of this company are included.

UK MAINSTREAM RENEWABLE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (*continued*)

2. ACCOUNTING POLICIES (*continued*)

a) *Basis of preparation (continued)*

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements for the year ended 31 December 2021.

b) *Presentational and Functional Currency*

The financial statements are expressed in British Pounds (£), the functional currency of the Company.

c) *Foreign currencies*

Non-monetary assets purchased in foreign currencies are translated using the rate of exchange ruling at the transaction date. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the date of the Statement of Financial Position. Gains and losses from foreign currency translation are recognised in the Profit and Loss Account.

d) *Taxation*

Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax represents the expected tax payable (or recoverable) on the taxable income for the period, using tax rates enacted or substantively enacted at the year-end date, and any adjustment to tax payable in respect of previous periods. Deferred tax is provided on the basis of the liability method on all temporary differences at the Balance Sheet date which is defined as the difference between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases.

The following temporary differences are not provided for: where the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction; and differences relating to retained earnings in subsidiaries, to the extent that they are controlled by the Company and will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year-end reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

e) *Financial Assets*

Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through the profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and are subject to an insignificant risk of changes in fair value.

UK MAINSTREAM RENEWABLE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (*continued*)

2. ACCOUNTING POLICIES (*continued*)

e) Financial Assets (continued)

Impairment of Financial Assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Derecognition of financial assets

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Gains and losses are recognised in profit and loss when the asset is derecognised.

f) Financial liabilities

The Company’s financial liabilities are recognised initially at fair value and are presented as such in the accounts. The Company’s financial liabilities include trade creditors, amounts owed to group companies, accruals, other taxation and social security and VAT payable.

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the Profit and Loss account.

g) Financial Risk Management

The Company’s operations exposed it to a variety of financial risks that include the effects of changes in foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management program that seeks to manage the financial exposures of the Company by monitoring levels of debt finance and the related finance costs.

The policies are set by the Board of Directors and are implemented by the Company’s management.

h) Credit Risk

The Company takes on exposure to credit risk on all trading entered into with group and non-group companies. Credit risk is the risk that a counterparty will be unable to pay amounts owed in full when due. This risk is mitigated by limits being placed on the amounts that can be outstanding with one counterparty and management review of compliance with these limits.

UK MAINSTREAM RENEWABLE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (*continued*)

2. ACCOUNTING POLICIES (*continued*)

i) Liquidity Risk

The Company actively manages its use of long-term and short-term assets and liabilities to ensure it has sufficient funds available to meet the demands of the group.

j) Foreign Exchange Risk

The financial statements are expressed in British Pounds (£). The Company is exposed to foreign exchange risks in the normal course of the business, as other group companies require funding in various different currencies.

k) Interest Rate Risk

The Company does not have interest bearing assets or interest bearing liabilities.

l) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Going Concern

On an annual basis the Directors review the appropriateness of preparing the financial statements under the going concern principle. The Directors monitor short-term and long-term cash flow forecasts to ensure that the Company has adequate working capital to continue in operational existence for the foreseeable future.

The Company is in a net liability position. This risk is mitigated by the Company's intermediate parent indicating that it is willing to provide financial support to the Company for the foreseeable future.

3. KEY ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of expenses and liabilities, at the reporting date. Uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the liability affected in future periods.

Within this company we consider there is nothing which requires key accounting judgement or estimate.

4. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the Companies Act 2006 and in accordance with the Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101") and comply with financial reporting standards of the Financial Reporting Council.

UK MAINSTREAM RENEWABLE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (*continued*)

5. OPERATING INCOME

	2021	2020
	£	£
Other income	10,649	-
Development services fee	2,165,053	-
	<u>2,175,702</u>	<u>-</u>

6. EMPLOYEE INFORMATION

	2021	2020
	£	£
Wages and salaries	5,232,529	1,082,258
Other pension contributions	132,548	85,897
Social security costs	917,605	228,935
Corporate Salary Cost recharges	<u>(3,853,129)</u>	<u>-</u>
	<u>2,429,553</u>	<u>1,397,090</u>

The average number of employees during the period was 16.

The recharged employees employed by the Company are effectively employees of the Company's intermediate parent, Mainstream Renewable Power Limited. The Company recharged corporate salary costs for these individuals to Mainstream Renewable Power Limited.

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	2021	2020
	£	£
Auditors' remuneration	-	-
Directors' remuneration	<u>4,807,027</u>	<u>466,263</u>

Auditors' remuneration was borne by another group company in both the current and preceding period.

8. TAXATION

	2021	2020
	£	£
<i>(a) Analysis of charge in the year:</i>		
Total Current tax (<i>note 8(b)</i>)	<u>-</u>	<u>-</u>
<i>(b) Factors affecting tax charge for the year:</i>		
Loss on ordinary activities before taxation	<u>(3,091,337)</u>	<u>(3,509,763)</u>
Loss on ordinary activities multiplied by standard Rate of corporation tax in the UK 19% (2020:19%)	(587,354)	(666,855)
<i>Effects of:</i>		
Non-deductible expenditure	14,012	10,818
Unutilised losses carried forward	<u>573,342</u>	<u>656,037</u>
Current tax charge for year (<i>note 8(a)</i>)	<u>-</u>	<u>-</u>

UK MAINSTREAM RENEWABLE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (*continued*)

8. TAXATION (continued)

No corporation tax is payable due to trading losses incurred during 2021 which can be carried forward to reduce future taxable profits. A deferred tax asset has not been recognised in respect of tax losses carried forward at 31 December 2021 of £20,461,566 (2020: £17,420,384) due to uncertainty in relation to the ability to utilise losses in future periods.

9. DEBTORS

	2021	2020
	£	£
VAT receivable	150,891	131,159
Prepayments	46,036	15,781
Other debtors	233,966	48,594
Amounts due from group companies	2,487,439	461,871
	<u>2,918,332</u>	<u>657,405</u>

Amounts owed by group companies are unsecured, interest free and are repayable on demand.

10. CASH AT BANK

	2021	2020
	£	£
Cash at bank and in hand	<u>72,025</u>	<u>129,769</u>

11. CREDITORS

	2021	2020
	£	£
Trade creditors	9,059	28,179
Amounts owed to group companies	24,591,800	19,379,089
Accruals	574,363	492,536
Other taxation and social security	63,776	44,674
	<u>25,238,998</u>	<u>19,944,478</u>

Amounts owed to group companies are unsecured, interest free and are repayable on demand.

12. CALLED UP SHARE CAPITAL

	2021	2020
	£	£
<i>Authorised</i>		
1,000 ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid equity</i>		
1 ordinary shares of £1.00 each	<u>1</u>	<u>1</u>

UK MAINSTREAM RENEWABLE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021 (*continued*)

13. EVENTS AFTER THE BALANCE SHEET DATE

On 24 March 2022, Mainstream Renewable Power Limited signed an agreement with one of Japan's leading general trading and investment firms, Mitsui & Co. Mitsui will join Aker Horizons as a long-term strategic investor in Mainstream as they invest €575 million in the company. The investment is in the form of new common shares in Mainstream Renewable Power Limited, corresponding to a 27.5 % equity stake in the Company.

Mainstream have considered the conflict in Ukraine and have no direct operations in Ukraine or Russia but continue to monitor the situation in terms of the macroeconomic effects.

There were no other events after the Balance Sheet date that warrant disclosure in these financial statements.

14. RELATED PARTY TRANSACTIONS

The Company has availed of the disclosure exemptions available under paragraphs 8 (j) and 8 (k) of FRS 101. This exempts the Company from the disclosure requirements of IAS24 to give details of transactions with entities that are part of the group qualifying as related parties and from the requirement to disclose key management personnel compensation.

15. APPROVAL OF FINANCIAL STATEMENTS

The Directors approved the financial statements and authorised them for issue on 15 June 2022.