

Registered number: 07477370

PHOENIX RENEWABLES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

WEDNESDAY



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PHOENIX RENEWABLES LTD

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | M N Morgan T Newby J D Pearson J S Simpson |
| Registered number | 07477370 |
| Registered office | Griffin House 161 Hammersmith Road London W6 8BS |
| Independent auditor | PricewaterhouseCoopers LLP One Chamberlain Square Birmingham B3 3AX |

PHOENIX RENEWABLES LTD

CONTENTS

| | Page |
|--|---------|
| Directors' report | 1 - 2 |
| Directors' responsibilities statement | 3 |
| Independent auditor's report to the member of Phoenix Renewables Ltd | 4 - 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 9 |
| Notes to the financial statements | 10 - 20 |

PHOENIX RENEWABLES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and audited financial statements of Phoenix Renewables Ltd (the "company") for the year ended 31 March 2020.

Principal activity and business review

The company trades as The Phoenix Works. Its principal activity was, and will continue to be, the supply, installation and maintenance of green energy technology solutions for the renewable energy sector for both commercial and domestic customers.

In September 2020, the company's immediate parent undertaking and controlling party Retig Ltd went into administration.

On 16 October 2020, the company has allotted 31,207,233 shares of £0.1 each for consideration of £3,121,000.

Effective 16 November 2020, Liberty Global Europe 2 Limited, a subsidiary undertaking of the Liberty Global plc group, became the immediate parent undertaking after acquiring a 100% shareholding of the company. Liberty Global plc (Liberty Global) became the ultimate parent undertaking and controlling party.

Liberty Global is one of the world's leading converged video, broadband and communications companies, with a commitment to providing Liberty Global's customers the "best in class" communications and entertainment services. These services are delivered to Liberty Global's residential and business customers over Liberty Global's networks and include broadband internet, video, telephony and mobile services. Telenet, the VodafoneZiggo JV and Sunrise UPC deliver mobile services as mobile network operators, and Virgin Media, UPC Poland and UPC Slovakia deliver mobile services as MVNOs through third-party networks. Sunrise UPC also delivers mobile services as a MVNO pursuant to a legacy contract prior to the Sunrise acquisition.

Liberty Global provides residential and business telecommunication services in the UK and Ireland through Virgin Media, Belgium through Telenet, Switzerland through Sunrise UPC, Poland through UPC Poland and Slovakia through UPC Slovakia. In terms of video subscribers, Liberty Global operates the largest cable network in each of these countries, except in Poland, where we operate the second largest cable network. Liberty Global also have investments in the VodafoneZiggo JV, which operates the largest cable network in the Netherlands, and in various content businesses.

At 31 December 2020, Liberty Global delivered market-leading products through next-generation networks that connect customers subscribing to 49.3 million broadband internet, video, fixed-line telephony and mobile services across Liberty Global's brands.

The company's operations expose it to a variety of operational and financial risk. Financial and operational risk management, and future outlook is considered as part of the group operation as a whole.

The 2020 Liberty Global Annual Report is available at www.libertyglobal.com, or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, UK, W6 8BS.

Results and dividends

The loss for the year, after tax, amounted to £1,812,000 (Year ended 31 March 2019 - loss for the year of £836,000).

The directors have not recommended an ordinary dividend (Year ended 31 March 2019 - £nil).

In March 2020, the World Health Organisation declared the outbreak of coronavirus (COVID-19) to be a global pandemic. In response to the COVID-19 pandemic, emergency measures were imposed by governments worldwide, including travel restrictions, restrictions on social activity and the shutdown of non-essential businesses. The company's year-end fell a week after the UK government imposed the first national COVID-19 lockdown measures on 23 March 2020, as a result the company did not hold a physical count of its inventory as at 31 March 2020. Therefore, the company's external auditors were also unable to attend a count and perform usual audit procedures to verify the existence and completeness of the company's inventory as at the year-end. Consequently, the audit opinion for the financial year ended 31 March 2020 is a qualified opinion with respect to inventory and cost of sales. The company was able to perform a physical inventory count as at 30 June 2020 which was attended by the external auditors, PricewaterhouseCoopers LLP, which did not indicate any significant issues with accounting records for inventory. On this basis, the directors concluded that the inventory value held on the company's balance sheet as at 31 March 2020 is materially correct, based on their knowledge of the minor movements in stock as a result of the national lockdown and controls in place regarding stock control at the company's warehouse.

PHOENIX RENEWABLES LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Directors

The directors who served during the year and thereafter were as follows:

S L Hayward (resigned 1 October 2020)
K Katamura (appointed 19 March 2020, resigned 17 September 2020)
M N Morgan
T Newby
J D Pearson (appointed 16 November 2020)
S J Perkins (resigned 28 February 2020)
C J Russell (resigned 16 November 2020)
J S Simpson (appointed 16 November 2020)

The directors of the company have been indemnified 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 is in force for directors serving during the financial year and as at the date of approving the Directors' Report.

Going concern

Notwithstanding net current liabilities of £2,760,000 as at 31 March 2020 and a loss for the year then ended 31 March 2020 of £1,812,000, the financial statements have been approved on the assumption that the company remains a going concern.

It is Liberty Global's practice for operational and financial management to be undertaken at a group level rather than for individual entities that are wholly owned by the group. As part of normal business practice, regular cash flow forecasts for both short and long term commitments are undertaken at group level.

Forecasts and projections prepared for the Liberty Global group as a whole, indicate that cash on hand, together with cash from operations and undrawn revolving credit facilities, are expected to be sufficient for the Liberty Global group's and hence the company's cash requirements through to at least 12 months from the approval of these financial statements.

Whilst the detailed cash flow forecasts are prepared at the group level, the directors have also assessed the position of the company, including the funding requirement for the continuing operation of the business. This assessment indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent, Liberty Global Europe 2 Limited, to meet its liabilities as they fall due for that period. Liberty Global Europe 2 Limited has indicated it will continue to make available such funds for at least 12 months from the approval of these financial statements.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis.

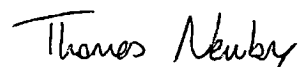
Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

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

This report was approved by the board on 29 March 2021 and signed on its behalf.



T Newby
Director

PHOENIX RENEWABLES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Directors' Report and the financial statements of the company in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements of the company for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless 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 of the company, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of Phoenix Renewables Ltd

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph below, Phoenix Renewables Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2020; the Profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for qualified opinion

As a direct result of the national lockdown imposed on 23 March 2020 and the subsequent ban on travel and stay at home order, management were unable to perform a year-end inventory count or provide appropriate alternative evidence to support the year-end inventory and cost of sales amounts disclosed in the financial statements. As a result of this, we were unable to obtain sufficient appropriate evidence relating to the completeness and existence of inventory as at 31 March 2020 and the related cost of sales for the year ended 31 March 2020. We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of Phoenix Renewables Ltd (continued)

Reporting on other information (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and, except for the possible effects of the matters described in the Basis of qualified opinion section above, has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, except for the possible effects of the matters described in the Basis of qualified opinion section above, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

As explained in the Basis for qualified opinion section above, the company was unable to provide appropriate evidence relating to the inventory and cost of sale balances included in the financial statements. Accordingly, :

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept by the company.

Under the Companies Act 2006 we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Phoenix Renewables Ltd (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Mark Kingsbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
29 March 2021

PHOENIX RENEWABLES LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

| | Note | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
|--------------------------|------|-------------------------------------|-------------------------------------|
| Revenue | | 1,657 | 1,970 |
| Cost of sales | | (993) | (1,332) |
| Gross profit | | 664 | 638 |
| Administrative expenses | | (2,466) | (1,468) |
| Operating loss | 4 | (1,802) | (830) |
| Finance costs | | (10) | (19) |
| Loss before tax | | (1,812) | (849) |
| Income tax credit | 7 | - | 13 |
| Loss for the year | | (1,812) | (836) |

The notes on pages 10 to 20 form part of these financial statements.

There was no other comprehensive income or expenditure for year ended 31 March 2020 or year ended 31 March 2019 other than that included in the profit and loss account.

All results were derived from continuing operations.

PHOENIX RENEWABLES LTD
REGISTERED NUMBER: 07477370

BALANCE SHEET
AS AT 31 MARCH 2020

| | Note | 31 March 2020 £000 | 31 March 2019 £000 |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Intangible assets | 8 | 10 | 15 |
| Property, plant and equipment | 9 | 266 | 234 |
| | | <u>276</u> | <u>249</u> |
| Current assets | | | |
| Inventories | | 289 | 215 |
| Trade receivables | 10 | 307 | 185 |
| Other receivables | 10 | 39 | 163 |
| Cash and cash equivalents | | 25 | 205 |
| | | <u>660</u> | <u>768</u> |
| Creditors: amounts falling due within one year | 11 | (3,420) | (1,671) |
| Net current liabilities | | <u>(2,760)</u> | <u>(903)</u> |
| Total assets less current liabilities | | <u>(2,484)</u> | <u>(654)</u> |
| Creditors: amounts falling due after more than one year | 12 | (143) | (161) |
| Net liabilities | | <u>(2,627)</u> | <u>(815)</u> |
| Capital and reserves | | | |
| Share capital | 14 | - | - |
| Accumulated losses | 15 | (2,627) | (815) |
| Total shareholder's deficit | | <u>(2,627)</u> | <u>(815)</u> |

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2021.

Thomas Newby

T Newby
Director

The notes on pages 10 to 20 form part of these financial statements.

PHOENIX RENEWABLES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

| | Share capital | Accumulated losses | Total shareholder's deficit |
|--|---------------|-----------------------|-----------------------------------|
| | £000 | £000 | £000 |
| Balance as at 1 April 2019 | - | (815) | (815) |
| Comprehensive income for the year | | | |
| Loss for the year | - | (1,812) | (1,812) |
| Total comprehensive income for the year | - | (1,812) | (1,812) |
| Balance as at 31 March 2020 | - | (2,627) | (2,627) |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

| | Share capital | Retained earnings/ (accumulated losses) | Total shareholders' fund / (deficit) |
|--|---------------|--|--|
| | £000 | £000 | £000 |
| Balance as at 1 April 2018 | - | 21 | 21 |
| Comprehensive income for the year | | | |
| Loss for the year | - | (836) | (836) |
| Total comprehensive income for the year | - | (836) | (836) |
| Balance as at 31 March 2019 | - | (815) | (815) |

The notes on pages 10 to 20 form part of these financial statements.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Company information

Phoenix Renewables Ltd (the "company") is a private company limited by shares incorporated, domiciled and registered in England, UK. The registered number is 07477370. The registered address is Griffin House, 161 Hammersmith Road, London, W6 8BS.

2. Accounting policies

A summary of the principal accounting policies is set out below. All accounting policies have been applied consistently, unless noted below.

2.1 Basis of accounting

These financial statements have been prepared on a going concern basis and under the historical cost basis in compliance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The financial statements are presented in Sterling ("£") and rounded to the nearest thousand.

The company's then ultimate parent undertaking, Retig Ltd, included the company in its consolidated financial statements. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- reconciliation of the number of shares outstanding from the beginning to end of the year;
- disclosures in respect of related party transactions with fellow group undertakings;
- cash flow statement and related notes; and
- key management personnel compensation.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

2.2 Going concern

Notwithstanding net current liabilities of £2,760,000 as at 31 March 2020 and a loss for the year then ended 31 March 2020 of £1,812,000, the financial statements have been approved on the assumption that the company remains a going concern.

It is Liberty Global's practice for operational and financial management to be undertaken at a group level rather than for individual entities that are wholly owned by the group. As part of normal business practice, regular cash flow forecasts for both short and long term commitments are undertaken at group level.

Forecasts and projections prepared for the Liberty Global group as a whole, indicate that cash on hand, together with cash from operations and undrawn revolving credit facilities, are expected to be sufficient for the Liberty Global group's and hence the company's cash requirements through to at least 12 months from the approval of these financial statements.

Whilst the detailed cash flow forecasts are prepared at the group level, the directors have also assessed the position of the company, including the funding requirement for the continuing operation of the business. This assessment indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent company, Liberty Global Europe 2 Limited, to meet its liabilities as they fall due for that period. Liberty Global Europe 2 Limited has indicated it will continue to make available such funds for at least 12 months from the approval of these financial statements.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue from the sale of green renewable energy technology solutions includes sale of goods and rendering of services. For sale of goods, revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work completed to date to the total estimated contract costs.

2.4 Intangible assets

Our primary intangible assets relate to software costs.

Intangible assets with finite lives are amortized on a straight-line basis over their respective estimated useful lives, and reviewed for indications of impairment at each reporting date. Amortization methods and useful lives are reviewed at each reporting date and are adjusted if appropriate.

Separately identifiable intangible assets such as development costs are amortised over their useful economic lives, up to a maximum of three years, on a straight-line basis.

2.5 Property, plant and equipment

Depreciation is provided on all property, plant and equipment on a straight-line basis at rates calculated to write off the cost of each asset over the shorter of its leasing period or estimated useful economic life as follows:

| | |
|-----------------------|-----------|
| Plant and machinery | - 4 years |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 5 years |
| Computer equipment | - 3 years |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

2.6 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership have been transferred. All other leases are classified as operating leases.

Assets held under finance lease are recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the lease term even if the payments are not made on such a basis. Benefits received and receivable as an incentive are similarly spread on a straight-line basis over the lease term.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a first in first out basis.

2.8 Trade and other receivables

Trade and other debtors are stated at their recoverable amount. Provision is made when the amount receivable is not considered recoverable and the amount is fully written off when the probability for recovery of a balance is assessed as being remote.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

2.11 Employee benefits

Defined contribution pension plans

The company contributes to a personal pension plan for eligible employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of each of the plans.

2.12 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management has made estimates and judgements that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and assumptions

Intangible assets and property, plant and equipment

Amortisation is charged on all intangible assets and depreciation is provided on all property, plant and equipment, other than construction in progress, on a straight-line basis at rates calculated to write off the cost of each asset over its estimated useful life. The estimation of an assets useful economic life has a significant effect on the annual amortisation and depreciation charge.

Leases

As most of the company's leases do not provide enough information to determine an implicit interest rate, a portfolio level incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

4. Operating loss

The operating loss is stated after charging/(crediting):

| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
|---|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment | 25 | 10 |
| Depreciation of assets on finance lease | 74 | 47 |
| Amortisation of intangible assets | 5 | - |
| Impairment of intangible assets | 144 | - |
| Gain on disposal of property, plant and equipment | (7) | - |

Certain expenses are specifically attributed to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

The directors received no remuneration for the qualifying services as directors of this company. All directors' remuneration for those which were in office during year ended 31 March 2020 and year ended 31 March 2019 was paid by and disclosed in the financial statements of Retig Ltd, the previous immediate parent of the company.

5. Auditor's remuneration

The company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the company:

| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Fees for audit of the company | 40 | 20 |
| Amounts paid for non audit services | - | 4 |

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Employees

Staff costs were as follows:

| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Wages and salaries | 1,561 | 866 |
| Social security costs | 54 | 67 |
| Cost of defined contribution scheme | 10 | 13 |
| | <u>1,625</u> | <u>946</u> |

The average monthly number of employees, including the directors, during the year were as follows:

| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
|----------------|-------------------------------------|-------------------------------------|
| Corporate | 2 | 2 |
| Engineering | 25 | 14 |
| Administration | 10 | 5 |
| Operations | 4 | 3 |
| | <u>41</u> | <u>24</u> |

7. Income tax credit

Tax credit included in profit or loss:

| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
|--------------------|-------------------------------------|-------------------------------------|
| Current tax | - | (13) |
| Total current tax | <u>-</u> | <u>(13)</u> |
| Deferred tax | | |
| Total deferred tax | <u>-</u> | <u>-</u> |
| Tax on loss | <u>-</u> | <u>(13)</u> |

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Income tax credit (continued)

The tax assessed for the year ended 31 March 2020 is higher than (Year ended 31 March 2019 - higher than) the standard rate of corporation tax in the UK of 19% (Year ended 31 March 2019 - 19%). The differences are explained below:

| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
|---|-------------------------------------|-------------------------------------|
| Loss before tax | (1,812) | (849) |
| Loss multiplied by standard rate of corporation tax in the UK of 19% (Year ended 31 March 2019 - 19%) | (344) | (161) |
| Effects of: | | |
| Expenses/(income) not deductible for tax purposes | 1 | (6) |
| Deferred tax not recognised | 343 | 167 |
| Adjustments to tax charge in respect of prior periods | - | (13) |
| Tax credit | - | (13) |

Factors affecting current and future tax charges

In the 11 March 2020 Budget it was announced that the UK tax rate will remain at 19% and not reduce to 17% from 1 April 2020. In the 3 March 2021 Budget, it was announced that the UK tax rate would increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

Gross deferred tax assets in respect of losses of £2,664,000 (2019 - £986,000) and depreciation in excess of capital allowances of £130,000 (2019 - £nil) have not been recognised as there is currently no persuasive evidence that there will be suitable taxable profits against which these timing differences will reverse.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Intangible assets

| | IT software £000 |
|--|---------------------|
| Cost | |
| At 1 April 2019 | 15 |
| Additions | 144 |
| At 31 March 2020 | 159 |
| Accumulated amortisation and impairment | |
| At 1 April 2019 | - |
| Amortisation | 5 |
| Impairment charge | 144 |
| At 31 March 2020 | 149 |
| Net book value | |
| At 31 March 2020 | 10 |
| At 31 March 2019 | 15 |

PHOENIX RENEWABLES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Property, plant and equipment

| | Plant and machinery £000 | Fixtures and fittings £000 | Motor vehicles £000 | Computer equipment £000 | Total £000 |
|-------------------------|--------------------------------|----------------------------------|---------------------------|-------------------------------|---------------|
| Cost | | | | | |
| At 1 April 2019 | 56 | 10 | 276 | 29 | 371 |
| Additions | 17 | 1 | 84 | 32 | 134 |
| Disposals | - | - | (25) | - | (25) |
| At 31 March 2020 | 73 | 11 | 335 | 61 | 480 |
| Depreciation | | | | | |
| At 1 April 2019 | 34 | 3 | 87 | 13 | 137 |
| Charge for the year | 11 | 2 | 74 | 12 | 99 |
| Disposals | - | - | (22) | - | (22) |
| At 31 March 2020 | 45 | 5 | 139 | 25 | 214 |
| Net book value | | | | | |
| At 31 March 2020 | 28 | 6 | 196 | 36 | 266 |
| At 31 March 2019 | 22 | 7 | 189 | 16 | 234 |

Net book value of property, plant and equipment, included in the above, which are held under finance leases are as follow:

| | 31 March 2020 £000 | 31 March 2019 £000 |
|----------------|-----------------------|-----------------------|
| Motor vehicles | 196 | 189 |

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Trade and other receivables

| | 31 March 2020 £000 | 31 March 2019 £000 |
|----------------------------|-----------------------|-----------------------|
| Due within one year | | |
| Trade receivables | 307 | 185 |
| Other receivables | 39 | 163 |
| | <u>346</u> | <u>348</u> |

11. Creditors: amounts falling due within one year

| | 31 March 2020 £000 | 31 March 2019 £000 |
|-------------------------------------|-----------------------|-----------------------|
| Trade payables | 149 | 163 |
| Amounts owed to group undertakings | 3,021 | 1,289 |
| Finance lease liabilities (note 13) | 61 | 50 |
| Taxation and social security | 49 | 25 |
| Other creditors | 140 | 144 |
| | <u>3,420</u> | <u>1,671</u> |

Amounts owed to group undertakings falling due within one year are unsecured, interest free and repayable on demand.

12. Creditors: amounts falling due after more than one year

| | 31 March 2020 £000 | 31 March 2019 £000 |
|-------------------------------------|-----------------------|-----------------------|
| Finance lease liabilities (note 13) | 127 | 120 |
| Other creditors | 16 | 41 |
| | <u>143</u> | <u>161</u> |

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

13. Leases

Maturities of the company's finance lease liabilities as of 31 March 2020 are presented below:

| | 31 March 2020 £000 | 31 March 2019 £000 |
|---------------------------|-----------------------|-----------------------|
| Less than one year | 61 | 50 |
| One to five years | 127 | 120 |
| | <u>188</u> | <u>170</u> |
| Impact of finance expense | 24 | 18 |
| | <u>212</u> | <u>188</u> |

The company leases property under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

| | 31 March 2020 £000 | 31 March 2019 £000 |
|---|-----------------------|-----------------------|
| Less than one year | 4 | 13 |
| One to five years | - | 4 |
| | <u>4</u> | <u>17</u> |
| Total undisclosed lease payments | <u>4</u> | <u>17</u> |

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

14. Share capital

| | 31 March 2020 £ | 31 March 2019 £ |
|--|--------------------|--------------------|
| Allotted, called up and fully paid | | |
| 1,000 (31 March 2019 - 1,000) Ordinary shares of £0.1 each | <u>100</u> | <u>100</u> |

15. Accumulated losses

Includes all current and prior period retained profits and losses net of dividends paid.

16. Post balance sheet events

In September 2020, the company's immediate parent undertaking and controlling party Retig Ltd went into administration.

On 16 October 2020, the company has allotted 31,207,233 shares of £0.1 each for consideration of £3,121,000.

Effective 16 November 2020, Liberty Global Europe 2 Limited, a subsidiary undertaking of the Liberty Global plc group, became the immediate parent undertaking after acquiring a 100% shareholding of the company. Liberty Global plc became the ultimate parent undertaking and controlling party.

17. Controlling parties

The company's immediate parent undertaking and controlling party was Retig Ltd as at 31 March 2020.

Effective 16 November 2020, Liberty Global Europe 2 Limited became the immediate parent undertaking after acquiring a 100% shareholding of the company. Liberty Global plc became the ultimate parent undertaking and controlling party.

Copies of group accounts referred to above are available on Liberty Global's website at www.libertyglobal.com or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, UK, W6 8BS.