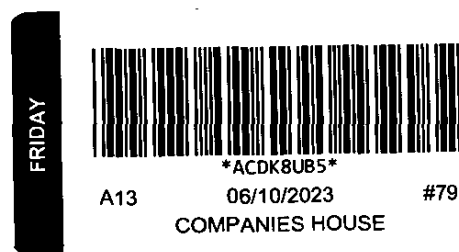


Registered number 07932140

LORA SOLAR LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



LORA SOLAR LIMITED

CONTENTS

	Page(s)
Company Information	1
Directors' Report	2 - 3
Profit and Loss Account	4
Balance Sheet	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 - 14

LORA SOLAR LIMITED

COMPANY INFORMATION

Directors	J Lingard O J Fricot A G Paul
Registered number	07932140
Registered office	7th Floor 33 Holborn London EC1N 2HU
Bankers	Barclays Bank 1 Churchill Place London E14 5HP

LORA SOLAR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activities of the Company are the operation of a solar plant and the generation of solar power. The primary focus and business activity of the Company is not expected to change.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Lingard	
P McCartie	(Resigned 10 June 2022)
O J Fricot	(Appointed 17 May 2022)
A G Paul	(Appointed 17 May 2022)

Going concern

At the date of signing these financial statements, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Qualifying third party indemnity provisions

As permitted by the articles of association of Lightsource bp Renewable Energy Investments Limited ("LS bp") - the ultimate parent undertaking and controlling party of the Company – any Director of the Company who is also a Director of LS bp have had the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the year covered by these financial statements and is currently in force.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements 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).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

LORA SOLAR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Small company exemption

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

The Directors have also taken advantage of the small company exemptions provided by Section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Approved and signed on behalf of the directors

Olivier Fricot

.....
Olivier Fricot

Director

Date: 29 September 2023
.....

LORA SOLAR LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Turnover		1,144,670	935,839
Cost of sales		(410,703)	(500,051)
Gross profit		733,967	435,788
Administrative expenses		(6,064)	(8,422)
Other operating income		1,663	7,893
Operating profit	4	729,566	435,259
Interest payable and similar expenses	6	(641,837)	(640,947)
Profit/(loss) before taxation		87,729	(205,688)
Tax on profit/(loss)		(25,802)	219,603
Profit for the financial year		61,927	13,915

All results relate to continuing activities.

There are no other items of other comprehensive income for the current year or prior year. Therefore, no separate statement of other comprehensive income has been prepared.

The accompanying notes on pages 7 - 14 form an integral part of the financial statements.

LORA SOLAR LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	7		3,941,949		4,184,982
Current assets					
Debtors	8	1,038,723		811,340	
Cash at bank and in hand		20,000		20,000	
		1,058,723		831,340	
Creditors: amounts falling due within one year	10	(113,849)		(18,325)	
Net current assets			944,874		813,015
Total assets less current liabilities			4,886,823		4,997,997
Creditors: amounts falling due after more than one year	11		(8,088,779)		(8,261,880)
Net liabilities			(3,201,956)		(3,263,883)
Capital and reserves					
Called up share capital	12		10		10
Accumulated losses			(3,201,966)		(3,263,893)
Total shareholders' deficit			(3,201,956)		(3,263,883)

For the financial year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities".

The Directors acknowledge their responsibility for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts, and that the members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The financial statements on pages 4 to 14 were approved by the Board of Directors and authorised for issue on .29/09/2023..... and are signed on its behalf by:

Olivier Fricot

 Olivier Fricot
 Director

Registered number 07932140

LORA SOLAR LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Accumulated losses	Total shareholders' deficit
	£	£	£
Balance at 1 January 2021	10	(3,277,808)	(3,277,798)
Year ended 31 December 2021:			
Profit for the financial year	-	13,915	13,915
Balance at 31 December 2021	10	(3,263,893)	(3,263,883)
Year ended 31 December 2022:			
Profit for the financial year	-	61,927	61,927
Balance at 31 December 2022	10	(3,201,966)	(3,201,956)

The accompanying notes on pages 7 - 14 form an integral part of the financial statements.

LORA SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 General information

Lora Solar Limited is a private company limited by shares incorporated and domiciled in England in the United Kingdom (registered number 07932140). The address of the registered office is 7th Floor, 33 Holborn, London, EC1N 2HU.

The principal activities of the Company are the operation of a solar plant and the generation of solar power. The primary focus and business activity of the Company is not expected to change.

2 Summary of significant accounting policies

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 periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. Critical judgements have been applied to these financial statements and are summarised in note 3.

FRS 102 allows certain disclosure exemptions for qualifying entities, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the Company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

2.2 Going concern

At the date of signing these financial statements, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign exchange

(i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account within administrative expenses.

LORA SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies

(Continued)

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

2.5 Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively. Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Profit and Loss Account. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Long-term leasehold property	35 years straight line
Plant and machinery	10 and 35 years straight line

2.6 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Profit and Loss Account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Profit and Loss Account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Profit and Loss Account.

LORA SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies

(Continued)

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the Balance Sheet. Finance costs and gains or losses relating to financial liabilities are included in the Profit and Loss Account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank and shareholder loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Interest receivable and payable

Interest is recognised by applying the effective interest rate. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the debt instrument to the net carrying amount on initial recognition.

2.12 Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

2.13 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

LORA SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies

(Continued)

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

2.14 Leases

Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term.

2.15 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.16 Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date; or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resource is remote.

The Company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. Given the nature of the assets, the Directors believe that it is more likely than not that the lessor will take title of the assets for either continued use or to realise value through selling the assets and as such the Directors do not believe that an outflow is probable to settle this restoration obligation. The Directors will continue to monitor this situation at each balance sheet date.

2.17 Share capital

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

LORA SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

(i) Impairment of tangible assets

The Company makes an estimate of the recoverable value of tangible assets. See note 2.6 for details. See note 7 for the net carrying amount of tangible assets.

(ii) Measurement of decommissioning costs

In determining if an obligation to decommission a solar site exists at the end of the land lease term, management has assessed whether the landowner would benefit more from the Company:

- Transferring the solar site to the landowner to operate and decommission themselves at a later date. The landowner would benefit from revenue achieved through operations and the scrap value of components and materials once the site has been decommissioned; or
- Decommissioning the site before returning the land back to the landowner

As part of the assessment management undertakes a valuation of each solar site and when the total value at the end of the lease term exceeds the expected costs to decommission a site no provision is recognised. Similarly where the expected costs to decommission a site exceeds its value at the end of the lease term management recognises a provision.

(b) Critical accounting estimates

The Company has not made any critical estimates in applying the entity's accounting policies.

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the Company's auditor and its associates for the audit of the financial statements	-	2,854
Depreciation of owned tangible fixed assets	243,033	333,450
	<u>243,033</u>	<u>333,450</u>

5 Employees

The Company has no employees other than the Directors. The Directors' remuneration was borne by another group entity (2021: £nil). Their services to this Company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent company. Accordingly, the above details include no remuneration in respect of the Directors.

6 Interest payable and similar expenses

	2022	2021
	£	£
Shareholder loan interest payable	641,779	640,889
Bank charges	58	58
	<u>641,837</u>	<u>640,947</u>

LORA SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Tangible assets

	Long-term leasehold property	Plant and machinery	Total
	£	£	£
Cost			
At 1 January 2022 and 31 December 2022	9,000	8,172,380	8,181,380
Depreciation			
At 1 January 2022	3,360	3,993,038	3,996,398
Charge for the year	218	242,815	243,033
At 31 December 2022	3,578	4,235,853	4,239,431
Carrying amount			
At 31 December 2022	5,422	3,936,527	3,941,949
At 31 December 2021	5,640	4,179,342	4,184,982

The total value of fixed assets are held as a security against the bank debt of the parent company, Lightsource Radiate 2 Limited.

8 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	45,726	4,800
Other debtors	-	814
Prepayments and accrued income	355,516	142,443
	401,242	148,057
Amounts falling due after more than one year:		
	£	£
Deferred tax asset (note 9)	637,481	663,283
Total debtors	1,038,723	811,340

9 Deferred taxation

	2022
	£
Movements in the year:	
Asset at 1 January 2022	663,283
Charge to profit or loss	(25,802)
Asset at 31 December 2022	637,481

LORA SOLAR LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****10 Creditors: amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	-	1,788
Other taxation and social security	89,680	-
Accruals and deferred income	24,169	16,537
	<u>113,849</u>	<u>18,325</u>

11 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Amounts owed to group undertakings	<u>8,088,779</u>	<u>8,261,880</u>

Included within amounts owed to group undertakings are unsecured loans with year end balances totalling £8,088,799 (2021: £8,261,880). The loans bear interest at 8% (2021: 8%) and are repayable after more than five years.

12 Called up share capital

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
1,020 (2021: 1,020) Ordinary shares of 1p each	<u>10</u>	<u>10</u>

13 Contingent liabilities

The Company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. Given the nature of the assets, the Directors believe that it is more likely than not that the lessor will take title of the assets for either continued use or to realise value through selling the assets and as such the Directors do not believe that an outflow is probable to settle this restoration obligation. The Directors will continue to monitor this situation at each balance sheet date.

14 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	49,385	45,652
Between two and five years	197,539	182,608
In over five years	468,332	478,585
	<u>715,256</u>	<u>706,845</u>

LORA SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2022**

15 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with fellow subsidiaries under common ownership. There are no other related party transactions noted in the year.

16 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Lightsource Radiate 2 Limited.

The ultimate parent undertaking and controlling party is Lightsource bp Renewable Energy Investments Limited, which is the smallest and largest group to consolidate these financial statements. Copies of Lightsource bp Renewable Energy Investments Limited consolidated financial statements can be obtained from the Company Secretary, 7th Floor, 33 Holborn, London, EC1N 2HU.