

REGISTERED NUMBER: 08452019 (England and Wales)

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
ALTAIR SOLAR LIMITED



ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)

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FOR THE YEAR ENDED 31 MARCH 2021

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ALTAIR SOLAR LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

Directors:

Dr R Johnson
G E Shaw
Pinecroft Corporate Services Limited

Registered office:

The Shard
c/o Foresight Group LLP
32 London Bridge Street
London
SE1 9SG

Registered number:

08452019 (England and Wales)

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

Principal activity

During the period the Company's activity is development and generation of electricity using solar technology.

Directors

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

Dr R Johnson
G E Shaw
Pinecroft Corporate Services Limited

Small company exemption

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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:

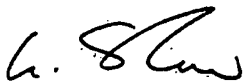
- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:



G E Shaw - Director

21 December 2021

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31.3.21 £	31.3.20 £
Continuing operations			
Revenue		757,115	760,593
Cost of sales		<u>(107,217)</u>	<u>(62,853)</u>
Gross profit		649,898	697,740
Gain/loss on revaluation of tangible assets		486,777	(978,907)
Administrative expenses		(1,616,756)	(359,437)
Other operating expenses		<u>(635)</u>	<u>(626)</u>
Operating loss		(480,716)	(641,230)
Finance costs	4	<u>(138,009)</u>	<u>(315,652)</u>
Loss before corporation tax	5	(618,725)	(956,882)
Corporation tax	6	<u>69,048</u>	<u>(39,300)</u>
Loss for the year		<u><u>(549,677)</u></u>	<u><u>(996,182)</u></u>

The notes form part of these financial statements

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	31.3.21	31.3.20
	£	£
Loss for the year	(549,677)	(996,182)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>(549,677)</u>	<u>(996,182)</u>

The notes form part of these financial statements

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)**STATEMENT OF FINANCIAL POSITION**
31 MARCH 2021

	Notes	31.3.21 £	31.3.20 £
Assets			
Non-current assets			
Property, plant, and equipment	7	<u>5,260,921</u>	<u>4,245,548</u>
Current assets			
Trade and other receivables	8	888,193	1,162,593
Cash and cash equivalents	9	<u>26,887</u>	<u>45,309</u>
		<u>915,080</u>	<u>1,207,902</u>
Total assets		<u><u>6,176,001</u></u>	<u><u>5,453,450</u></u>
Equity			
Shareholders' equity			
Called up share capital	10	1,500,157	1,500,157
Retained earnings	11	<u>(2,081,155)</u>	<u>(1,531,478)</u>
Total equity		<u>(580,998)</u>	<u>(31,321)</u>
Liabilities			
Non-current liabilities			
Trade and other payables	12	<u>6,316,865</u>	<u>5,023,763</u>
Current liabilities			
Trade and other payables	12	440,134	421,708
Tax payable		<u>-</u>	<u>39,300</u>
		<u>440,134</u>	<u>461,008</u>
Total liabilities		<u><u>6,756,999</u></u>	<u><u>5,484,771</u></u>
Total equity and liabilities		<u><u>6,176,001</u></u>	<u><u>5,453,450</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)

STATEMENT OF FINANCIAL POSITION - continued
31 MARCH 2021

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G. E. Shaw', written in a cursive style.

G E Shaw - Director

The notes form part of these financial statements

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	1,500,157	(535,296)	964,861
Changes in equity			
Total comprehensive income	-	(996,182)	(996,182)
Balance at 31 March 2020	1,500,157	(1,531,478)	(31,321)
Changes in equity			
Total comprehensive income	-	(549,677)	(549,677)
Balance at 31 March 2021	1,500,157	(2,081,155)	(580,998)

The notes form part of these financial statements

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		31.3.21	31.3.20
		£	£
Cash flows from operating activities			
Cash generated from operations	1	190,261	192,265
Interest paid		-	(184,818)
Tax paid		<u>29,748</u>	<u>-</u>
Net cash from operating activities		<u>220,009</u>	<u>7,447</u>
 Cash flows from financing activities			
Loan repayments in year		(100,422)	(102,733)
Interest paid		<u>(138,009)</u>	<u>(130,834)</u>
Net cash from financing activities		<u>(238,431)</u>	<u>(233,567)</u>
 Decrease in cash and cash equivalents		<u>(18,422)</u>	<u>(226,120)</u>
Cash and cash equivalents at beginning of year	2	45,309	271,429
 Cash and cash equivalents at end of year	2	<u>26,887</u>	<u>45,309</u>

The notes form part of these financial statements

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

1. Reconciliation of loss before corporation tax to cash generated from operations

	31.3.21	31.3.20
	£	£
Loss before corporation tax	(618,725)	(956,882)
Depreciation charges	257,739	257,739
(Gain)/loss on revaluation of fixed assets	(486,777)	978,907
Finance costs	<u>138,009</u>	<u>315,652</u>
	(709,754)	595,416
(Increase)/decrease in trade and other receivables	(511,936)	40,594
Increase/(decrease) in trade and other payables	<u>1,411,951</u>	<u>(443,745)</u>
Cash generated from operations	<u>190,261</u>	<u>192,265</u>

2. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>26,887</u>	<u>45,309</u>

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	<u>45,309</u>	<u>271,429</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Altair Solar Limited is a company incorporated and domiciled in the United Kingdom. The address of the registered office is Foresight Group LLP, The Shard, London Bridge Street, London, SE1 9SG.

During the period the Company's activity is development and generation of electricity using solar technology.

2. Accounting policies

Basis of preparation

The company financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Measurement convention

The financial statements have been prepared under the historical cost convention.

New standards, interpretations, and amendments effective from 1 January 2020

Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020).

- Amendments to IFRS 3 Business Combinations (effective 1 January 2020).
- Definition of Material - Amendments to IAS 1 and IAS 8 (effective 1 January 2020).
- Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7 (effective 1 January 2020); and
- COVID-19-related Rent Concessions - Amendment to IFRS 16 Leases (effective 1 June 2020).

New standards not yet effective

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective 1 January 2022*).
- Amendments to: IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective 1 January 2022); and
- Annual Improvements to IFRSs (2018-2020 Cycle): IFRS 1; IFRS 9; Illustrative Examples Accompanying IFRS 16; and IAS 41 (effective 1 January 2022).

Prior year restatement

The prior year profit and loss has been restated by a further interest charge of £184,818 which increases the loss and other creditors by the same amount. This is due to interest charged on an intercompany balance which was previously thought to be interest free.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty

Significant accounting estimates and assumptions

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The most critical accounting policies and estimates in determining the financial position and results of the company are those requiring a greater degree of subjective or complete judgement. These are discussed below:

Plant and Equipment

Each asset is subject to robust technical due diligence to assess the expected operational life span of the panels. Panels are typically covered under a 25-year performance warranty. The Company seeks to access projects with those reputable and proven equipment suppliers most able to demonstrate financial robustness being preferred.

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 Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue from the generation of energy from the operational solar park is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the energy is generated as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies - continued

Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs are expensed as incurred as they do not meet the capitalisation criteria under IAS 23, as the construction of the related assets does not require a substantial period of time. Items of property, plant and equipment are depreciated to their estimated residual values on a straight-line basis over their expected useful lives as follows:

Solar Photovoltaic (PV) assets - over 25 years - 4% straight line

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking account technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in the income statement.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Impairment of non-financial assets

Carrying value of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

A previously recognised impairment will be revised insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies - continued

Financial instruments

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, accounts payable and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All normal purchases and sales of financial assets are recognised on the trade date i.e., the date that the company commits to purchase or sell the financial assets.

De-recognition of financial assets and liabilities

A financial asset, or apportion of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired.
- The company retains the right to receive the cash flow from the asset, but has assumed an obligation to pay them in full without material delay to a third party under "pass-through" arrangement, or
- The company has transferred the rights to receive cash flows from the asset and either:
 - (i) has transferred substantially all the risks and rewards of ownership of the asset or
 - (ii) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled, or has expired.

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). Financial liabilities are measured at amortised cost or FVTPL.

The classification of financial assets is based on the way a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at amortised cost if both of the following conditions are met, and the financial asset or liability is not designated as at FVTPL:

- the financial asset is held with the objective of collecting or remitting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held with the objectives of collecting contractual cash flows and selling the financial asset; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies - continued

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, amounts due from related companies trade payables and interest-bearing borrowings. Based on the way these financial instruments are managed and their contractual cash flow characteristics, all the Company's financial instruments are measured at amortised cost using the effective interest method.

The amortised cost of financial assets is reduced by impairment losses as described below. Interest income, foreign exchange gains and losses, impairments and gains or losses on derecognition are recognised through the statement of comprehensive income.

Trade receivables and trade payables are held at their original invoiced value, as the interest that would be recognised from discounting future cash flows over the short credit period is not considered to be material.

Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short term. Cash and cash equivalents do not include other financial assets.

Impairment losses against financial assets carried at amortised cost are recognised by reference to any expected credit losses against those assets.

The simplified approach for calculating impairment of financial assets has been used for trade receivables. Lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

Loans from related parties and certain other receivables meet the criteria to be classified at amortised cost because they are held in a 'hold to collect' business model and meet the 'solely payments of principal and interest' ("SPPI") test and uses the general approach to calculate the expected credit loss. Under the general approach, at each reporting date, the company determines whether there has been a Significant Increase in Credit Risk (SICR) since initial recognition and whether the loan is credit impaired.

If there has not been a SICR nor has the loan been credit impaired the company applies a 12-month credit loss alternatively the company applies a lifetime expected credit loss. Lifetime expected credit loss are the losses that result from all possible default events over the expected life of the loan whereas 12-month expected credit loss are a portion of Lifetime expected credit loss that represent the credit loss that result from default events that are possible within 12 months of the reporting date.

Financial liabilities

Loans and accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies - continued

Taxation and deferred tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Equity

Equity comprises the following

- "Share capital" represents the nominal value of ordinary equity shares.
- "Retained deficit" include all current results as disclosed in the income statement.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The loan balances represent inter-company loans.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to be in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts.

3. Employees and directors

	31.3.21	31.3.20
	£	£
Directors' remuneration	<u>3,500</u>	<u>3,500</u>

4. Net finance costs

	31.3.21	31.3.20
	£	£
Finance costs:		
Interest Paid	<u>138,009</u>	<u>315,652</u>

5. Loss before corporation tax

The loss before corporation tax is stated after charging:

	31.3.21	31.3.20
	£	£
Depreciation - owned assets	<u>257,739</u>	<u>257,740</u>

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****6. Corporation tax****Analysis of tax (income)/expense**

	31.3.21	31.3.20
	£	£
Current tax:		
Corporation tax	(69,048)	39,300
Total tax (income)/expense in statement of profit or loss	<u>(69,048)</u>	<u>39,300</u>

7. Property, plant, and equipment**Plant and
machinery
£****Cost**

At 1 April 2020	5,210,658
Additions	786,335
Reversal of impairments	<u>486,777</u>
At 31 March 2021	<u>6,483,770</u>

Depreciation

At 1 April 2020	965,110
Charge for year	<u>257,739</u>
At 31 March 2021	<u>1,222,849</u>

Net book value

At 31 March 2021	<u>5,260,921</u>
At 31 March 2020	<u>4,245,548</u>

8. Trade and other receivables

	31.3.21	31.3.20
	£	£
Current:		
Trade debtors	738,881	317,549
Amounts owed by group undertakings	-	845,044
Intercompany debtors	<u>149,312</u>	<u>-</u>
	<u>888,193</u>	<u>1,162,593</u>

9. Cash and cash equivalents

	31.3.21	31.3.20
	£	£
Bank deposit account	<u>26,887</u>	<u>45,309</u>

ALTAIR SOLAR LIMITED (REGISTERED NUMBER: 08452019)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****10. Called up share capital**

Allotted, issued, and fully paid Number:	Class:	Nominal Value:	31/3/21 £	31/3/20 £
1	Ordinary Shares	£1.00	1	1
500,000	Ordinary Shares "A"	£1.00	500,000	500,000
1,000,000	Ordinary Shares "B"	£1.00	1,000,000	1,000,000
1,500,000	Ordinary Shares "C"	£0.0001	150	150
61,225	Ordinary Shares "D"	£0.0001	6	6
			<u>1,500,157</u>	<u>1,500,157</u>

11. Reserves

	Retained earnings £
At 1 April 2020	(1,531,478)
Deficit for the year	<u>(549,677)</u>
At 31 March 2021	<u>(2,081,155)</u>

12. Trade and other payables

	31.3.21 £	31.3.20 £
Current:		
Trade creditors	35,316	1,637
VCT Loan short term	-	100,422
Intercompany loan interest	344,530	184,885
Other creditors	18,850	90,486
VAT	<u>41,438</u>	<u>44,278</u>
	<u>440,134</u>	<u>421,708</u>
Non-current:		
Intercompany loan	2,582,138	1,289,036
VCT Loan	1,668,686	1,668,686
Intercompany loan	<u>2,066,041</u>	<u>2,066,041</u>
	<u>6,316,865</u>	<u>5,023,763</u>
Aggregate amounts	<u>6,756,999</u>	<u>5,445,471</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

13. Related party disclosures

At the period end the company owed a long-term loan of £1,668,686 (2020 - £1,769,108) to Foresight Solar and Infrastructure VCT PLC. Interest payable is calculated at a flat rate of 5% and amounted to £83,145 (2020 - £88,849) during the reported period. The total interest payable at the year-end was £33,213 (2020 - £67).

At the year end the company owed a long-term loan of £2,066,041 (2020 - £2,066,041) to Sious Limited, a company under common control, in relation to a long-term loan, no interest was charged on this balance. Also, at the year-end, an amount of £Nil (2020 - £786,335) was owed by Sious Limited, in relation to a long-term loan. No interest was charged on this balance.

The amount of £1,289,036 (2020 - £1,289,036) is owed to Youtan Limited, a company under common control, which was outstanding at the year-end in relation to a long-term loan. No interest was charged on this balance.

At the year end the company was owed an amount of £167,355 (2020 - £76,900) from Turweston Solar Farm Limited, a company under common control, in relation to short-term working capital requirements.

At the year-end a balance of £Nil (2020 - £100,422), was owed to Laurel Hill Solar Limited, a company under common control, in relation to rights to use agreements,

14. Financial instruments

Fair value measurement

The fair value of the Financial Assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 31.3.21 £	Carrying Amount 31.3.20 £
Financial assets:		
Cash & cash equivalents	26,887	45,309
Trade and other receivables	888,193	1,180,784
Financial liabilities:		
Liabilities at amortised cost	6,715,651	5,234,566

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

15. Financial risk management

The company's principal financial assets and liabilities comprise trade receivables, cash, interest bearing loans and trade payables.

The company has exposure to the following risks from its use of financial instruments:

- Market risks, commodity price, interest rate, inflation rate risks
- Credit risk
- Liquidity risk

This note represents information about the company's exposure to each of the above risks and the company's objectives, policies, and processes for assessing and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The company is not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the company operates.

The company has limited exposure to interest rate risk. The company is fully funded by the parent company and has no floating rate interest bearing loans or borrowings at 31 March 2021 or 31 March 2020. The company does not intend to hold cash for the purpose of generating interest income. The company does not currently consider it necessary to actively manage interest rate risk.

b) Credit risk

The company's policy is aimed at minimising losses as a result of counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the company are considered by management to be of appropriate credit rating. At each balance sheet date, the company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date is the carrying value of the credit balances if any. Receivables from PPA is from a large and reputable entity. Management believes credit risks from PPA revenue to be low.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company monitors its risks of shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and obligations.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**Period ended 31 March 2021**

	On demand £	Less than 3 months £	3 to 12 months £	2 to 5 periods £	>5 periods £	Total £
Financial Liabilities						
Trade and other payables	35,316	-	18,850	-	-	54,166
Owing to group company	-		344,530	6,316,865	-	<u>6,661,395</u>
						<u>6,715,561</u>

Period ended 31 March 2020

	On demand £	Less than 3 months £	3 to 12 months £	2 to 5 periods £	>5 periods £	Total £
Financial Liabilities						
Trade and other payables	1,637	-	18,191	-	-	19,828
Owing to group company	-		190,975	5,023,763	-	<u>5,214,738</u>
						<u>5,234,566</u>

d) Capital management

Management considers capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The company's policy is to finance its operations through group borrowings. It is the company's policy not to hold financial instruments for speculative purposes.

16. Ultimate controlling party

The directors consider there to be no ultimate controlling party.