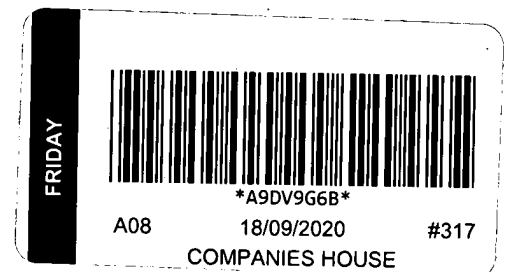


Averon Park Limited

Annual Report and Financial Statements

For the year ended 31 March 2020

Registered number: 08669482



Averon Park Limited

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Averon Park Limited

Directors and Auditors

Directors	Gary Fraser Philip Jones Graham Ross Russell
Registered Office	The Shard 32 London Bridge Street London SE1 9SG
Auditors	KPMG LLP 15 Canada Square London E14 5GL

Averon Park Limited

Chairman's Report

For the year ended 31 March 2020

Highlights

- Net assets increased to £585.9 million from £468.1 million at the start of the year
- New investments totalling £224.0 million and realisations of £40.4 million were completed in the year
- Portfolio returns fell short of target objectives due to a variety of external factors

Investment review

The breakdown of the portfolio as at 31 March 2020 was as follows:

Trading Company Asset Class	Valuation £'000	% of Overall Portfolio
Onshore Wind	248,042	42%
Solar	86,296	15%
Reserve Power	76,604	13%
Asset-backed Lending	82,153	14%
Battery Storage	23,403	4%
Other Infrastructure	72,875	12%
Total	589,373	100%

I am pleased to report the results for the year ended 31 March 2020.

Since the Company launched in 2012, we have achieved or exceeded our minimum target return in every year except one. The exception in terms of achieving our target return was in the current year to 31 March 2020 and although this can largely be explained by the impact of macro-economic events such as COVID-19 and a large fall in forecast energy prices, it is still disappointing. An ITS investor who invested at 1 April 2019 would have experienced a 3.6% drop during the year, and although an attractive relative performance compared to the FTSE All-Share which fell by 22.3%, the Board appreciates that investors cannot spend relative performance. Nevertheless, the relative performance demonstrates the resilience of the underlying businesses owned, even during these exceptional times and, therefore, we continue to be pleased with the investment strategy although we will continue to look for new types of infrastructure businesses where we feel there is an opportunity to enhance our returns.

As Averon Park Limited ("the Company") continues to raise new equity financing, we have, as previously mentioned, diversified away from our concentration in Solar into trades with similar characteristics to the existing portfolio that will create a platform for future growth. In particular, we have focused over the last 12 months on sectors such as Onshore Wind, Reserve Power and Asset-backed Lending, many of which are expected to grow significantly in the future. Several material investments across these sectors were made either during the year or completed post year end. Onshore Wind is now the largest trade by sector, representing 42% of the overall portfolio. At publication, Onshore Wind accounted for approximately 28% of the trading portfolio.

The performance has been spread across the asset classes although the emergence of Asset-Backed Lending and Reserve Power generating assets, in addition to the historical performance of the Company's renewable energy generating assets, is particularly pleasing as it demonstrates success in diversifying the trades in which the Company invests.

The Board believes the Manager's active approach to asset management, in either a hold or sale scenario, has and will continue to enhance the value of these assets. This has enabled the Board and the Manager to execute on its commitment to rebalance the portfolio.

Further details on the individual sector and asset performance can be found in the Manager's report on pages 4 to 5.

Chairman's Report (continued)


For the year ended 31 March 2020

Outlook

The Company has made a record number of investments during the year across several sectors, providing diversification in the portfolio and this will continue over the next 12 months as the Board and Manager are currently considering a significant number of new opportunities, again across multiple sectors (both existing and new sectors). The Board and Manager are confident that the enlarged existing portfolio and new investments being considered in the sectors noted above should deliver the required returns to investors over the long-term. Further consideration is given to the impacts of COVID-19 in the Strategic Report.

Investor forum

Following the successful investor forum in Manchester in October 2019 there were plans for another forum at the Shard in London, however this had to be cancelled due to the COVID-19 pandemic. There are discussions of a virtual forum being held, which all shareholders would be welcome to attend.



Gary Fraser
Chairman
15 September 2020

Averon Park Limited

Manager's Report

For the year ended 31 March 2020

During the year the Company completed a number of new investments, totalling £224.0 million, across a range of businesses. Performance from this diversified portfolio of trades has fallen short of expectations in the year but is, however, expected to improve in the coming twelve months.

Onshore Wind

The Company continued to build its portfolio of operational wind turbines, completing the acquisition of two wind farms with a combined 38MW capacity in October 2019. An additional investment was made as a joint venture with Belltown UK in March 2020 for a wind development opportunity. A significant loan to fund the acquisition of a wind farm was entered into in December and fully repaid shortly after the year end.

Solar

As at 31 March 2020, Solar was the Company's second most significant business sector, representing 15% of the trading portfolio. This reduction from the prior year has primarily been driven by continued natural dilution as the Company has grown, as well as efforts to diversify the underlying sector exposures. The Company is exploring opportunities to acquire in unsubsidised projects in Europe. There were further investments into one such project in Spain post year end.

Power prices have significantly decreased during the year. There remains a focus on operational improvements to optimise plant performance, with ongoing actions to renegotiate operations and maintenance ("O&M") contracts and reduce costs across the solar portfolio. After the year end power prices have continued to fall, however, the magnitude of the decrease is considerably smaller compared to what was seen toward the end of 2019 and early 2020.

Reserve Power

During the year the Company has continued to fund the build out of the Mercia Power Response ("MPR") pipeline of flexible generation plants following their successful bid to provide back-up power to the National Grid during periods of high electricity demand. In May 2019, the Company acquired the developer of the reserve power pipeline, MPR Limited. This strategic acquisition of MPR has allowed the Company to further consolidate its position in the market and to secure a pipeline of future opportunities to be developed by the MPR team.

A further £22.2 million was deployed by the Company in support of this roll-out programme, with further capital yet to be deployed. The wider reserve power market is buoyant, presenting further attractive acquisition opportunities which are being actively considered.

Asset-Backed Lending

The Company's lending facilities continue to perform in line with the original business cases. They provide SMEs with short-term, secured loans for a range of business purposes. The Company's facility enjoys a secured position with diversified access to a large book of performing loans with an average loan to value ("LTV") below 60%.

During the year the Company acquired a property finance company for £18.1m and subsequently provided it with a revolving credit facility to fund additional loans. This has increased the size of the sector to 14% of the portfolio.

Battery Storage

The Company has invested in two grid-scale battery projects in Essex and the North East. These projects have a mixture of Capacity Market ("CM") and Enhanced Frequency Response ("EFR") contracts with the National Grid that provide fixed term contracted revenues for the provision of availability and balancing services. Both these projects have now entered operations. Further potential acquisitions in the sector continue to be evaluated.

Averon Park Limited

Manager's Report (continued)

For the year ended 31 March 2020

Outlook

The Company continues to see a strong pipeline of attractive investment opportunities across a broad range of sectors including Compressed Natural Gas, Forestry, District Heating, Solar and Onshore Wind. Forestry, in particular, has seen sizeable investment from the Company after the year end. As at the date of signing, a significant pipeline of potential investments was under consideration. Further consideration is given to the impacts of COVID-19 in the Strategic Report.



Foresight Group LLP
15 September 2020

Averon Park Limited

Strategic Report

For the year ended 31 March 2020

Introduction

This Strategic Report has been prepared in accordance with best practice and the requirements of Section 414 of the Companies Act 2006. Its purpose is to inform the shareholders of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

Averon Park Limited has raised £708.6 million as at the date of publication (11 October 2019: £574.2 million). At 31 March 2020 it had trading investments valued at £589.4 million (2019: £436.0 million) and net assets of £585.9 million (2019: £468.1 million). The number of shares in issue at 31 March 2020 was 518,412,575 (2019: 401,260,695).

Performance and Key Performance Indicators ("KPIs")

The Board expects the Manager to deliver a performance which meets the target annual return. The KPI covering this objective is a 3.5% annual return. For the first time since the Company's inception, this return was not met.

Foresight Group LLP believes that shareholders come first, and as such, the first 3.5% returned after running expenses is reserved for shareholders and only thereafter does Foresight receive its management fee.

Trading Investment Value by Sector

Averon Park Limited

Strategic Report (continued)

For the year ended 31 March 2020

Strategies for achieving objectives

Investment policy

The Company provides development finance for unquoted trading companies which are backed predominantly by infrastructure assets with a low risk profile and where capital preservation is key.

Securities

The Company invests in a range of securities including, but not limited to, ordinary shares and loans.

UK companies

Trading investments are primarily companies which are substantially based in the UK.

Asset mix

The Company aims to be significantly invested in low risk infrastructure type businesses subject always to the quality of opportunities and the timing of realisations.

Risk diversification and maximum exposures

Risk is spread by obtaining holdings in a number of different businesses.

Management

The Board has engaged Foresight Group LLP as discretionary manager. Foresight Group LLP also provides or procures the provision of company secretarial, administration and custodian services to the Company. Foresight Group LLP prefers to take a lead role in the companies in which it has an interest.

Gender diversity and human rights

The Board currently comprises three male Directors, of which two are non-executive. The Board is, however, conscious of the need for diversity and will consider this when appointing new Directors.

The Manager has an equal opportunities policy and currently employs 157 men and 88 women. The Company has no employees. The Company and the Manager are committed to the respect of human rights in all their actions.

Political donations

The Company made no political donations during the year.

Social matters and the environment

The majority of the Company's investments are in the renewable energy and infrastructure sectors, which enable the Company to make a direct, positive impact on society and the environment. The Manager has a Corporate and Social Responsibility Committee which aims to ensure industry best practice for the Manager and its investee companies.

Principal risks, risk management and regulatory environment

The Board carries out regular reviews of the risk environment in which the Company operates. The principal risks and uncertainties identified by the Board which might affect the Company's business model and future performance, and the steps taken with a view to their mitigation, are as follows:

Economic risk: events such as economic recession or general fluctuation in stock markets and interest rates may affect the valuation of investee companies and their ability to access adequate financial resources, as well as affecting the Company's own net asset value. **Mitigation:** The Company invests in a diversified portfolio of investments spanning various industry sectors and maintains sufficient cash reserves to be able to provide additional funding to investee companies where appropriate.

Strategic Report (continued)

For the year ended 31 March 2020

Principal risks, risk management and regulatory environment (continued)

Investment and liquidity risk: many of the Company's investments are in small and medium-sized unquoted companies which by their nature entail a higher level of risk and lower liquidity than investments in larger quoted companies. **Mitigation:** the Manager aims to limit the risk attaching to the portfolio as a whole by careful selection, close monitoring and timely realisation of investments, by carrying out rigorous due diligence procedures and maintaining a spread of holdings in terms of industry sector. The Board reviews the trading portfolio with the Manager on a regular basis.

Natural disasters: severe weather/natural disasters/pandemics could lead to reduction in performance and value of the assets. **Mitigation:** there is no mitigation that can be taken against natural disasters; however, our Operations and Maintenance provider is able to respond quickly to repair any damage and reduce the amount of down time. Each investee company implemented an extensive plan to deal with COVID-19, resulting in minimal adverse effects in the period to 31 March 2020.

Internal control risk: the Company's assets could be at risk in the absence of an appropriate internal control regime. This could lead to theft, fraud, and/or an inability to provide accurate reporting and monitoring. **Mitigation:** the Board carries out regular reviews of the system of internal controls, both financial and non-financial, operated by the Company and the Manager. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

Financial risk: inappropriate accounting policies might lead to misreporting or breaches of regulations. **Mitigation:** the Manager is continually reviewing accounting policies and regulations, and its reports are reviewed by the Board on a quarterly basis and at least annually by the external auditor.

Credit risk: the Company holds a number of financial instruments and cash deposits and is dependent on the counterparties discharging their commitment. **Mitigation:** the Board and Manager review the creditworthiness of the counterparties to these instruments and cash deposits and seek to ensure there is no undue concentration of credit risk with any one party.

The Board regularly reviews the principal risks and uncertainties facing the Company which the Board and the Manager have identified and sets out delegated controls designed to manage those risks and uncertainties. Key risks within strategy are managed by the Board through a policy, with guidelines and restrictions, and by the process of oversight at each Board meeting. Operational disruption, accounting and legal risks are also covered at least annually and regulatory compliance is reviewed at each Board meeting.

The Directors have adopted a framework of internal controls which is designed to monitor the principal risks and uncertainties facing the Company and to provide a monitoring system to enable the Directors to mitigate these risks as far as possible.

Coronavirus (COVID-19)

During the period from the date of the Statement of Financial Position to the date that the financial statements were approved, the COVID-19 outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties caused by the emergence and spread of COVID-19 have caused market volatility on a global scale. The quantum of the effect on the unquoted investments in the portfolio is difficult to determine, however the Manager is monitoring the situation and considering the effect it may have on the valuation of any impacted underlying unquoted portfolio companies in the future. In accordance with the requirements of FRS, the fair valuations at the date of the statement of financial position reflect the economic conditions in existence at that date. The next date at which a valuation of unquoted investments will be performed will be as at 30 June 2020.

Strategic Report (continued)

For the year ended 31 March 2020

Directors' duty to promote the success of the Company

The Directors have a duty to promote the success of the Company for the benefit of shareholders as a whole and to describe how they have performed this duty having regard to matters set out in Section 172(1) of the Companies Act 2006. In fulfilling this duty, the Directors consider the likely consequences of their actions over the long term and on other stakeholders.

Its main stakeholders therefore comprise its shareholders, portfolio companies and a small number of suppliers. These suppliers are external firms engaged by the Board to provide, amongst others, investment management, secretarial and legal and professional services.

The principal relationship is with the Investment Manager and the Manager's Report contains further information on this. Its investment management service is fundamental to the long-term success of the Company through the pursuit of the investment objective. The Board reviews the investment performance of the Company and the ability of the Investment Manager to produce satisfactory investment performance. It seeks to maintain a constructive working relationship with the Investment Manager.

The Board receives and reviews detailed presentations and reports from the Investment Manager to enable the Directors to exercise effective oversight of the Company's activities. The Investment Manager seeks to maintain constructive relationships with the Company's other suppliers on behalf of the Company, typically through regular communications and provision of relevant information.

Future developments/outlook

Further detail on these, including a review of business during the year is given in the Chairman's Report on page 2 and the Manager's Report on page 4.

Valuation policy

The trading investments owned by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines (December 2018) developed by the British Venture Capital Association and other organisations. Through these guidelines, these companies are valued at 'fair value' as defined. Ordinarily, unquoted companies will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the year. The valuations are prepared by Foresight Group LLP, reviewed and approved by the Board quarterly and subject to external audit annually.



Gary Fraser
Chairman
15 September 2020

Averon Park Limited

Directors' Report

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

Principal activity

The principal activity of the Company is to provide development finance for unquoted trading companies in which the Company has an equity stake and which are backed predominantly by infrastructure assets with a low risk profile and where capital preservation is key.

The Strategic Report discusses important events during the year, including potential COVID-19 impacts, as well as financial risk management objectives, policies and exposures.

Directors

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

Gary Fraser
Philip Jones
Graham Ross Russell

Results and dividends

The results for the year are set out on pages 15 to 45. Dividends are not usually paid but can be at the request of shareholders in order to fund withdrawals. The Company paid dividends of £21,200 during the year. In the period following 31 March 2020, dividends of £5,300 were paid as requested.

Going concern

The directors have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern.

In making the assessment, the Directors have considered the impact of COVID-19 on the business, specifically the largely predictable revenue streams stemming from the underlying portfolio companies, a large proportion of which is fixed and with a government backed counterparty. Despite the reduction in power prices, relevant to wind and solar assets, driven by a reduced forecast electricity demand as a result of COVID-19 induced economic restrictions, the Directors have concluded that the impacts of movements in market prices do not significantly impact the Company's ability to continue as a going concern. The Directors have considered forward looking power prices assumptions by third party providers in making this assessment. There were no further indications of market impacts as a result of COVID-19 on the Company's portfolio of assets.

The Directors have performed sensitivity testing over the Company's revenue streams and noted no reasonably possible scenarios where the Company's ability to continue as a going concern was under threat. In addition to the £11.1m of cash and cash equivalents on the balance sheet, the Company also had access to £43.2m of cash and cash equivalents in the immediate group at 31 March 2020. Based on their assessment of the Company's financial position, the directors believe that the Company will be able to continue for the foreseeable future.

Future developments/outlook

Detail on these is given in the Chairman's Report on pages 2 to 3 and the Manager's Report on pages 4 to 5.

Corporate governance

The Board is committed to maintaining and demonstrating high standards of corporate governance in relation to the Company's business conduct. The Board also expects high standards at the companies in which the Company invests. In this regard, it is satisfied that the Investment Manager consistently and proactively engages with portfolio companies on environmental, social and governance matters. These are considered material to the investment case and therefore to the long-term success of the Company.

Employees

The Company had no (2019: nil) employees during the year.

Averon Park Limited

Research and development

There are no plans for any future research and development.

Indemnity

The Directors have the benefit of indemnities under the articles of association of the Company against (to the extent only as permitted by law) liabilities they may incur acting in their capacity as Directors of the Company. An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities that may rise in the conduct of their duties. There is no cover against fraudulent or dishonest actions.


Adequacy of information provided to the auditor

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

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



Gary Fraser
Chairman
15 September 2020

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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 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 either 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 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.

On behalf of the Board



Gary Fraser
Chairman
15 September 2020

Independent Auditor's Report to the Members of Averon Park Limited

Opinion

We have audited the financial statements of Averon Park Limited ("the company") for the year ended 31 March 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Reconciliation of Movement in Shareholders' Funds and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information, which comprises the strategic report, the directors' report, the Chairman's report and the manager's report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and

Averon Park Limited

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 12, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

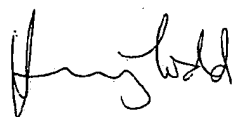
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Henry Todd (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, Canary Wharf, London, E14 SGL
15 September 2020

Averon Park Limited

Profit and Loss Account and Other Comprehensive Income

For the year ended 31 March 2020

		Year ended 31 March 2020 £	Year ended 31 March 2019 £
	Note		
Turnover	2	21,314,970	10,772,624
Administration expenses	3	(19,259,626)	(15,866,128)
Interest expenses		(633,651)	(613,915)
Operating profit/(loss)		1,421,693	(5,707,419)
Unrealised (losses)/gains on investments	6	(30,128,261)	13,501,952
(Loss)/profit on ordinary activities before taxation		(28,706,568)	7,794,533
Tax on profit on ordinary activities	4	5,297,325	(2,432,425)
(Loss)/profit on ordinary activities after taxation		(23,409,243)	5,362,108
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(23,409,243)	5,362,108

All items in the above Profit and Loss Account and Other Comprehensive Income are derived from continuing operations.

The Company has no recognised unrealised losses for the year to 31 March 2020 other than those shown in the Profit and Loss Account above.

The notes on pages 19 to 45 form an integral part of these financial statements.

Averon Park Limited

Balance Sheet

As at 31 March 2020

Company number: 08669482

	Note	As at 31 March 2020 £	As at 31 March 2019 £
Fixed assets			
Trading investments	6	589,373,083	435,953,887
Current assets			
Debtors	7	4,967,330	3,659,805
Cash and cash equivalents		11,129,846	41,620,885
		<u>16,097,176</u>	<u>45,280,690</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(11,951,242)	(304,692)
Net current assets		<u>4,145,934</u>	<u>44,975,998</u>
Non-current liabilities			
Deferred tax	5	-	(5,297,325)
Creditors: amounts falling due after more than one year	9	(7,575,000)	(7,575,000)
Net assets		<u>585,944,017</u>	<u>468,057,560</u>
Capital and reserves			
Called-up share capital	10	5,184,126	4,012,607
Share premium		375,412,102	235,257,231
Profit and loss account		205,347,789	228,787,722
Equity shareholders' funds		<u>585,944,017</u>	<u>468,057,560</u>

The notes on pages 19 to 45 form an integral part of these financial statements.

The financial statements on pages 15 to 45 were approved by the Board of Directors on 15 September 2020 and were signed on its behalf by:



Gary Fraser
Chairman

Averon Park Limited

Reconciliation of Movements in Shareholders' Funds

Year ended 31 March 2020

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
As at 31 March 2019	4,012,607	235,257,231	228,787,722	468,057,560
Issue of shares	1,171,519	140,154,871	(9,490)	141,316,900
Loss for the year	-	-	(23,409,243)	(23,409,243)
Dividends	-	-	(21,200)	(21,200)
As at 31 March 2020	5,184,126	375,412,102	205,347,789	585,944,017

Year ended 31 March 2019

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
As at 31 March 2018	2,846,365	99,734,221	223,438,909	326,019,495
Issue of shares	1,166,242	135,523,010	(3,805)	136,685,447
Profit for the year	-	-	5,362,108	5,362,108
Dividends	-	-	(9,490)	(9,490)
As at 31 March 2019	4,012,607	235,257,231	228,787,722	468,057,560

The notes on pages 19 to 45 form an integral part of these financial statements.

Averon Park Limited

Statement of Cash Flows

For the year ended 31 March 2020

	Note	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Cash flows from operating activities			
Operating profit for the year		1,421,693	(5,707,419)
<i>Adjustments for:</i>			
Investment income – interest	2	(5,425,749)	(8,358,442)
Investment income – dividends	2	(12,742,104)	(2,370,769)
Interest expense		633,651	613,915
(Increase)/decrease in debtors	7	(1,024,242)	39,769
Increase/(decrease) in creditors	8	11,437,667	(4,285,859)
Net cash from operating activities		(5,699,084)	(20,068,805)
Cash flows from investing activities			
Acquisition of investments	6	(223,953,138)	(132,646,358)
Disposal of investments and loan repayments	6	40,405,681	6,958,672
Investment income received		17,884,570	14,215,916
Net cash outflow from investing activities		(165,662,887)	(111,471,770)
Cash flows from financing activities			
Issue of share capital	10	141,316,900	136,685,447
Dividends paid		(21,200)	(9,490)
Interest paid		(424,768)	(533,799)
Loan from subsidiary		-	7,575,000
Net cash from financing activities		140,870,932	143,717,158
Net (decrease)/increase in cash and cash equivalents		(30,491,039)	12,176,583
Cash and cash equivalents at beginning of year		41,620,885	29,444,302
Cash and cash equivalents at end of year		11,129,846	41,620,885

The notes on pages 19 to 45 form an integral part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

Averon Park Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The Company's registered address is C/O Foresight Group LLP, The Shard, 32 London Bridge Street, London, United Kingdom, SE1 9SG. Its parent is Foresight Fund Managers Ltd and the ultimate parent is Foresight Group Holdings Ltd.

The principal activity of the Company is to provide development finance for unquoted trading companies in which the Company has an equity stake and which are backed predominantly by infrastructure assets with a low risk profile and where capital preservation is key.

These financial statements are prepared under the Companies Act 2006 and in accordance with Financial Reporting Standard 102 applicable to the UK and Republic of Ireland ("FRS 102"). All investments in the Company are held at fair value through profit or loss (as discussed in Note 1.5). Some investments are subsidiaries of the Company as the Company controls the investment. However, these subsidiaries have not been consolidated as FRS 102.9.9B (a) states that a subsidiary that is excluded from consolidation on the grounds that it held is held as part of an trading portfolio shall be measured at fair value with changes in fair value recognised in profit or loss. As noted above, the trading company subsidiary investments invest predominantly in unquoted infrastructure assets.

1.1 Significant estimates and judgements

Disclosure is required of judgements and estimates made by management in applying the accounting policies that have a significant effect on the financial statements. The area involving a higher degree of judgement and estimates is the valuation of unquoted investments as explained in note 1.5. Refer to note 11.6 for further detail.

Transactions in foreign currencies are translated to the Company's functional currency (GBP) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis, and in accordance with the applicable accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practices), except that investments in trading businesses are listed at fair value.

Averon Park Limited

1.3 Going concern

The financial statements are prepared on a going concern basis. In determining this was appropriate the Directors have given due consideration to the Company's forecast future cash flows for a period of at least 12 months following the date of these financial statements.

In making the assessment, the Directors have considered the impact of COVID-19 on the business, specifically the largely predictable revenue streams stemming from the underlying portfolio companies, a large proportion of which is fixed and with a government backed counterparty. Despite the reduction in power prices, relevant to wind and solar assets, driven by a reduced forecast electricity demand as a result of COVID-19 induced economic restrictions, the Directors have concluded that the impacts of movements in market prices do not significantly impact the Company's ability to continue as a going concern. The Directors have considered forward looking power prices assumptions by third party providers in making this assessment. There were no further indications of market impacts as a result of COVID-19 on the Company's portfolio of assets.

The Directors have performed sensitivity testing over the Company's revenue streams and noted no reasonably possible scenarios where the Company's ability to continue as a going concern was under threat. On the basis of their assessment of the Company's financial position, the Directors have a reasonable expectation that the Company will be able to continue for the foreseeable future.

1.4 Turnover

Turnover consists of the following streams:

Interest income is recognised on straight line basis and includes interest income from financial loans and receivables. Provisions are included where it is not considered recoverable.

Dividend income is recognised when the Company's rights to receive payment are established and there is no reasonable doubt that payment will be received.

Management service income is recognised on an accruals basis and relates to the provision of management services to certain investee companies.

Bank interest is included on an accruals basis.

1.5 Assets held at fair value through profit or loss

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines (December 2018) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued at "fair value".

Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value. Where such a basis is no longer appropriate, the fair value of investments is determined by using discounted cash flow valuation techniques. Where a discounted cash flow valuation basis is not appropriate, for example, when an underlying investment has been sold, a net asset valuation may be applied.

Quoted investments are valued at quoted share price.

The portfolio valuations are prepared by Foresight Group, reviewed and approved by the Board quarterly. Unrealised and realised gains/losses are recognised in the Profit and Loss Account on a quarterly basis following approval by the Board.

Averon Park Limited

1.6 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and short-term investments with original maturities of less than 90 days.

1.7 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

1.8 Expenses

Management and administration fees are payable to Foresight Group LLP (the Manager of the Company). The fees are recognised on an accruals basis in accordance with the terms of the Investor Agreement.

All other expenses are recognised on an accruals basis.

Notes to the Financial Statements (continued)

2 Turnover

Turnover consists of the following:

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Investment income – interest	5,425,749	8,358,442
Investment income – dividends	12,742,104	2,370,769
Management service income	3,055,818	-
Bank interest	91,299	43,413
	<u>21,314,970</u>	<u>10,772,624</u>

3 Administration expenses

Profit on ordinary activities is stated after charging:

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Management fees	4,645,231	7,107,260
Administration fees	9,936,771	3,370,400
Directors' remuneration*	40,000	40,000
Other	4,637,624	5,348,468
Administration expenses	<u>19,259,626</u>	<u>15,866,128</u>

*The aggregate emoluments of the highest paid director for the year were £20,000 (2019: £20,000). Gary Fraser does not earn remuneration as director. No amounts were paid in respect of money purchase pension schemes (2019: £nil). No directors exercised share options during the year (2019: none).

Included within Other expenses is Auditor's Remuneration for the audit of these financial statements of £72,200 (2019: £55,200). There were no non-audit fees (2019: £nil).

4 Taxation

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
UK corporation tax		
Current tax on profits for the year	-	-
Deferred tax on profits for the year	(5,297,325)	2,432,425
Tax on profit on ordinary activities	<u>(5,297,325)</u>	<u>2,432,425</u>

The total tax charge for the year is less than the standard rate of corporation tax in the UK of 19.0% (2019: more than).

Averon Park Limited

4 Taxation (continued)

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
(Loss)/profit on ordinary activities before tax	(28,706,568)	7,794,533
Corporation tax at 19.0% (2019: 19.0%)	(5,454,248)	1,480,961
Effect of:		
Dividends not taxable	(2,421,000)	(450,446)
Expenses not deductible	137,025	103,230
Unrealised gains/(losses) not chargeable to corporation tax	5,724,369	(2,565,371)
Deferred tax on unrealised (losses)/gains in the year recognised at 19.0% (2019: 19.0%)	(5,931,336)	2,565,371
Group relief of losses surrendered	2,013,853	1,868,762
Adjustment to deferred tax rate (to 19.0%)	623,215	(623,215)
Over provision for tax in prior year	(92,423)	53,133
Deferred tax asset not recognised	103,220	-
Total tax (credit)/charge for the year	(5,297,325)	2,432,425

The deferred tax liability as at 31 March 2020 has been calculated based on a rate of 19% since this is the rate at which unrealised gains are expected to be realised. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This change to the tax rate was substantively enacted for UK GAAP purposes on 17 March 2020. The adjustment from the previously recognised 17% rate is recorded above as an increase in the tax charge of £623,215 in the current year.

5 Deferred tax

	31 March 2020 £	31 March 2019 £
At beginning of year	5,297,325	2,864,900
Charged to profit and loss	(5,297,325)	2,432,425
At year end	-	5,297,325

The deferred tax liability is made up of the following:

	31 March 2020 £	31 March 2019 £
Allowable losses carried forward	(14,809)	(14,809)
Unrealised gains on investments	5,754	5,312,134
Deferred tax asset unrecognised	9,055	-
	-	5,297,325

Averon Park Limited has a recognised deferred tax liability of £5,754 (2019: £5,312,134) on unrealised gains on investments and a recognised deferred tax asset of £5,754 (2019: £14,809) on unrelieved corporation tax losses. As permitted under UK GAAP, these deferred tax liabilities and assets have been offset.

There is an unrecognised deferred tax asset of £9,055 (2019: £nil) on unrelieved corporation tax losses.

Notes to the Financial Statements (continued)

6 Trading investments

	31 March 2020 £	31 March 2019 £
Book cost at beginning of year	404,706,040	279,018,354
Investment holding gains	31,247,847	17,745,895
Valuation at beginning of year	435,953,887	296,764,249
Movements in the year:		
Purchases at cost	223,953,138	132,646,358
Disposal proceeds	(40,405,681)	(6,958,672)
Unrealised (losses)/gains on investments	(30,128,261)	13,501,952
Valuation at year end	589,373,083	435,953,887
Book cost at year end	588,253,497	404,706,040
Closing investment holding gains	1,119,586	31,247,847
Valuation at year end	589,373,083	435,953,887

Additions in the year were for Blackmead Infrastructure Limited, Brighter Green Engineering Limited, Foresight Metering Limited and Romaco SPV 5 Limited. Within the year repayments of loan notes were received from FS Ford Farm Limited, FS Hayford Farm Limited and FS Tope Limited. The investment in Foresight Metering Limited was disposed of during the year.

The most invested at any point during the year was £588,253,497. Of this, £580,367,595 relates to investments in subsidiaries and £1,555,488 in associates.

7 Debtors

	31 March 2020 £	31 March 2019 £
Loan interest receivable	1,487,928	1,204,645
Disposal proceeds receivable	-	1,290,000
Funds held in client account	-	4,499
Management service income receivable	2,122,802	-
Other debtors	1,356,600	1,160,661
	4,967,330	3,659,805

Notes to the Financial Statements (continued)

8 Creditors: amounts falling due within one year

	31 March 2020	31 March 2019
	£	£
Accruals	381,606	151,893
Amounts payable to subsidiary undertakings*	11,569,439	-
Other creditors	197	152,799
	<u>11,951,242</u>	<u>304,692</u>

*Comprising consideration paid for shares in Blackmead Infrastructure Ltd and cash held on behalf of Industrial Efficiency Ltd

9 Creditors: amounts falling due after more than one year

	31 March 2020	31 March 2019
	£	£
Loan from Knowle Park Limited	7,575,000	7,575,000
	<u>7,575,000</u>	<u>7,575,000</u>

The Company has a loan facility with Knowle Park Limited subject to interest set at 2% per annum above the Bank of England base rate (2019: 2% above the Bank of England base rate) repayable by March 2043.

10 Capital and reserves

Allotted, called up and fully paid:

	31 March 2020	31 March 2019
	£	£
518,412,575 (2019: 401,260,695) ordinary shares of £0.01 each	<u>5,184,126</u>	<u>4,012,607</u>

During the year, the Company issued a net 117,151,880 shares for net proceeds of £141,316,900.

11 Financial instrument risk management

The Company's financial instruments comprise:

- Equity shares, debt securities and fixed interest securities that are held in accordance with the Company's business objective.
- Cash, liquid resources, short-term debtors and creditors that arise directly from the Company's operations.

The following categories of financial instruments, all of which are included in the Balance Sheet at fair value through the profit/loss, were held at 31 March 2020:

	31 March 2020	31 March 2019
	£	£
Investments held at fair value through profit or loss	<u>589,373,083</u>	<u>435,953,887</u>

Notes to the Financial Statements (continued)

11 Financial instrument risk management (continued)

The Company's trading portfolio exposes it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

11.1 Market risk

At 31 March 2020, the Company's market risk is affected by three main components: price risk, foreign currency risk and interest rate risk.

(a) Price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Company's business objectives. It represents potential loss that the Company might suffer through holding market positions in the face of market movements.

The equity and fixed interest stocks of unquoted companies are rarely traded and as such the prices are more volatile than those of more widely traded securities. In addition, the ability of the Company to realise these assets at their carrying value may at times not be possible if there are no willing purchasers. The potential maximum exposure to market price risk, being the value of the portfolio as at 31 March 2020 was £589,373,083 (2019: £435,953,887).

All investments are initially held at cost for an appropriate period after which they are held at fair value. Fair value is determined by using discounted cash flow valuation techniques. There is an additional valuation risk that there will be changes in the inputs and assumptions into the discounted cash flow model. This is discussed in further detail on pages 29 to 32.

Where a discounted cash flow valuation basis is not appropriate, for example, when an underlying project has been sold, a net asset valuation may be applied. Quoted investments are valued at quoted share price.

(b) Foreign currency risk

Foreign currency risk arises from uncertainty about the future of foreign exchange rates to the Company's functional currency. It represents potential loss that the Company might suffer through investing in assets overseas.

The Company is predominantly invested in UK based companies. Where the Company has invested in overseas companies, the Manager has hedged each investment against such foreign currency fluctuations where appropriate.

Notes to the Financial Statements (continued)

11 Financial instrument risk management (continued)

(c) Interest rate risk

The fair value of the Company's fixed rate securities and cash may be affected by interest rate movements. The trading investments may be sensitive to interest rate fluctuations. When making purchases of an equity and debt nature, consideration is given during the structuring process to the potential implications of interest rate risk and the resulting purchase is structured accordingly. The maximum exposure to interest rate risk as at 31 March 2020 was £13,672,055 (2019: £327,460,738), being the total value of loan notes in the portfolio. This figure excludes the cash balance as at 31 March 2020 which is not disclosed because the Board does not consider exposure to interest rate risk to be significant.

	Total fixed portfolio 31 March 2020 £	Weighted average interest rate 31 March 2020 %	Weighted average time for which rate is fixed 31 March 2020 Days
Loan stock exposed to fixed interest rate risk	5,836,191	8.4	209
Loan stock exposed to variable interest rate risk	7,835,864	7.0	-
Total exposed to interest rate risk	13,672,055		

	Total fixed portfolio 31 March 2019 £	Weighted average interest rate 31 March 2019 %	Weighted average time for which rate is fixed 31 March 2019 Days
Loan stock exposed to fixed interest rate risk	7,153,421	8.8	81
Loan stock exposed to variable interest rate risk	320,307,317	2.6	-
Total exposed to interest rate risk	327,460,738		

11.2 Credit risk

Credit risk is the risk of failure by counterparties to deliver securities which the Company has paid for, or the failure by counterparties to pay for securities which the Company has delivered. The Company has exposure to credit risk in respect of the loan stock in and interest receivable from investee companies, and cash held at bank. Foresight Group receives management accounts from portfolio companies, and members of the Foresight Group management team sit on the board of portfolio companies; this enables the close identification, monitoring and management of company-specific credit risk. All cash is held with HSBC Bank plc, a multi-national financial institution with an AA rating and Lloyds Bank Corporate Markets plc, a multi-national financial institution with an A rating.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	31 March 2020 £	31 March 2019 £
Investment in loan notes	13,672,055	327,460,738
Cash and cash equivalents	11,129,846	41,620,885
Debtors	4,967,330	3,659,805
	29,769,231	372,741,428

Notes to the Financial Statements (continued)

11 Financial instrument risk management (continued)

11.3 Liquidity risk

The equity and debt investments in unquoted companies are not traded in active markets and are therefore not readily realisable. The ability of the Company to realise its trading investments at their carrying value may at times not be possible if there are no willing purchasers.

To counter these risks to the Company's liquidity, the Investment Manager maintains sufficient cash to meet running costs and other commitments.

At the reporting date, the maturity profile of the Company's loan stock investments was as follows:

	31 March 2020	31 March 2019
	£	£
In one year or less	6,222,055	320,510,738
In more than one year but less than two years	-	-
In more than two years but less than three years	6,950,000	-
In more than three years but less than four years	500,000	6,950,000
In more than four years but less than five years	-	-
Total	<u>13,672,055</u>	<u>327,460,738</u>

At the reporting date, the Company's trading investments were categorised as follows:

	31 March 2020	31 March 2019
	£	£
Quoted investments	35,927,188	16,811,522
Unquoted investments	<u>553,445,895</u>	<u>419,142,365</u>
Total trading investments	<u>589,373,083</u>	<u>435,953,887</u>

11.6 Fair value hierarchy

The following shows the financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the instrument that are not based on observable market data (unobservable inputs) (Level 3).

	31 March 2020	31 March 2019
	£	£
Quoted investments – level 1	35,927,188	16,811,522
Unquoted investments – level 3	<u>553,445,895</u>	<u>419,142,365</u>
	<u>589,373,083</u>	<u>435,953,887</u>

11.6 Transfers

During the year there were no transfers between levels 1, 2 or 3.

Notes to the Financial Statements (continued)

11 Financial instrument risk management (continued)

11.6 Sensitivity analysis of changes in key inputs and assumptions which may significantly change valuations

For each class of fair valued instruments, if changing one or more of the inputs or reasonably possible alternative assumptions would change the fair value significantly, FRS 102 requires an entity to state the fact and disclose the effect of those changes.

Onshore Wind

The Company's wind investments are valued with reference to the discounted value of future cash flows. A broad range of assumptions are used in the valuation models, these assumptions are based on long-term forecasts and are not affected by short term fluctuations in inputs, be it economic or technical. The Directors consider the valuation methodology used, including the key assumptions and discount rate applied, to be realistic. The Board reviews, at least quarterly, the valuation inputs and where possible, make use of observable market data to ensure valuations reflect the fair value of the investments. The key inputs into the valuations for the Company's wind investments are discount rate, energy yield (load factor and availability of the wind farm), power price, the terms of the power purchase agreements entered into, operating costs to run the plant, finance costs, taxation and the useful lives of the assets.

Energy yield is determined by certified independent technical advisors who were instructed to conduct due diligence on the assets prior to acquisition. On-site visits are performed to conduct site verification and verify performance analyses to corroborate energy yield figures. If the actual energy yield of the investments were to be lower than forecast this would result in a reduction in investment valuations.

The majority of operating costs in the valuation models are based on contractual agreements with a few exceptions based on historical data. The Directors do not foresee any material change, however an increase in operating costs would result in a reduction in investment valuations.

The price of the energy generated by the wind investments is determined by Power Purchase Agreements (PPAs) which guarantee the receipt of a fixed percentage of the day ahead market price. The projects have contracts in place for the medium term to guarantee all electricity produced can be sold. Directors do not expect to see a change in prices following the expiration of agreements, however an increase in power prices would result in an increase in the valuation of investments.

As at 31 March 2020, the discount rate used to value wind assets was between 8.6-8.0% geared and 6.0% ungeared. The Directors do not expect to see a significant change in the discount rates applied within the Wind infrastructure sector.

The majority of the assets' useful lives are 30 years, in line with industry-wide practice. In some instances, formal lease agreements may not cover the full 30 years but in accordance with industry-wide practice we expect that wind farms will remain functional for the full 30 years. Two sites have useful lives of 18.5 years and 25.3 years.

A significant change in any of the key inputs and assumptions used could impact the value of Onshore Wind investments. Onshore Wind investments held at fair value constitute £114.7 million (19%) of the portfolio. If there were a 5% change in the value of the Onshore Wind assets, this would have a £5.7 million impact upon the Company; a 10% change in the value of the Onshore Wind assets would have a £11.5 million impact. The remainder of the Onshore Wind trading portfolio is currently held at cost.

Notes to the Financial Statements (continued)

11 Financial instrument risk management (continued)

11.6 Sensitivity analysis of changes in key inputs and assumptions which may significantly change valuations (continued)

Solar

The Company's Solar investments are valued with reference to the discounted value of future cash flows. A broad range of assumptions are used in the valuation models, these assumptions are based on long-term forecasts and are not affected by short term fluctuations in inputs, be it economic or technical. The Directors consider the valuation methodology used, including the key assumptions and discount rate applied, to be realistic. The Board reviews, at least quarterly, the valuation inputs and where possible, make use of observable market data to ensure valuations reflect the fair value of the investments. The key inputs into the valuations for the Company's Solar investments are discount rate, energy yield (sun irradiance and the performance ratio of the solar panels), power price, the terms of the power purchase agreements entered into, operating costs to run the plant, finance costs, taxation and the useful lives of the assets.

Energy yield is determined by certified independent engineers based on system capacity, irradiance, geography and meteorological data. On-site visits are performed to conduct site verification and verify performance analyses to corroborate energy yield figures. If the actual energy yield of the investments were to be lower than forecast this would result in a reduction in investment valuations.

The majority of operating costs in the valuation models are based on contractual agreements, with a few exceptions based on historical data. The Directors do not foresee any material change, however an increase in operating costs would result in a reduction in investment valuations.

The price of the energy generated by the solar investments is determined by Power Purchase Agreements (PPAs) which guarantee the receipt of a fixed percentage of the day ahead market price. The projects have contracts in place for the medium term to guarantee all electricity produced can be sold. The Directors do not expect to see a change in prices following the expiration of agreements, however an increase in power prices would result in an increase in the valuation of investments.

As at 31 March 2020, the discount rate used to value solar assets was 7.0% geared and 5.5% ungeared. The Directors do not expect to see a significant change in the discount rates applied within the Solar infrastructure sector.

The useful life of assets is between 25 and 35.5 years, supported by the necessary land rights.

A significant change in any of the key inputs and assumptions used could materially impact the value of the Solar investments. Solar investments held at fair value constitute £59.6 million (10%) of the portfolio. If there were a 5% change in the value of the Solar assets, this would have a £3.0 million impact upon the Company; a 10% change in the value of the Solar assets would have a £6.0 million impact. The remainder of the Solar trading portfolio is held at cost.

Notes to the Financial Statements (continued)

11 Financial instrument risk management (continued)

11.6 Sensitivity analysis of changes in key inputs and assumptions which may significantly change valuations (continued)

Reserve Power

The Company's Reserve Power investments are valued with reference to the discounted value of future cash flows. A broad range of assumptions are used in the valuation models. These assumptions are based on long-term forecasts and are not affected by short term fluctuations in inputs, be it economic or technical. The Directors consider the valuation methodology used, including the key assumptions and discount rate applied, to be prudent. The Board reviews, at least quarterly, the valuation inputs and where possible, make use of observable market data to ensure valuations reflect the fair value of the investments. The key inputs into the valuations for the Company's Reserve Power investments are discount rate, long term half hourly power prices, long term STOR utilisation/availability rates, operating costs to run the plant, taxation and the useful lives of the assets.

Foresight have engaged Baringa as a market advisor to provide forecasts for the various revenue streams available to reserve power assets. Baringa model the long-term energy outlook-based market fundamentals, including commodity prices, capacity demand and supply, and system volatility. Based on this outlook they derive long term half hourly power prices. The operating strategy is then informed by a detailed bottom-up analysis by overlaying the individual cost-base of each projects in order to calculate the minimum revenue that must be secured in order to justify generating electricity for every half hour period over the project's lifetime. Applying this methodology, Baringa provide us with long term forecasts for gross margin achievable in the wholesale and STOR markets. If the actual forecasted gross margin achievable in wholesale and STOR markets were to be lower than forecast, this would result in a reduction in investment valuations.

The operating costs are split into variable and fixed elements. The variable cost of generation in the valuation models is largely determined by site specific engine efficiencies and Baringa's long term forecast of gas and carbon prices. The remaining elements of the variable cost are based on contractual arrangements. The majority of the fixed operating costs in the valuation models are based on contractual agreements, with a few exceptions based on historical data. The directors do not foresee any material change, however an increase in operating costs would result in a reduction in investment valuations.

As at 31 March 2020, the discount rate used to value reserve power assets was 9.5% on an unlevered basis. The Directors do not expect to see a significant change in the discount rates applied within the reserve power infrastructure sector however an increase in the discount rates used would result in a reduction in the valuation of the investments. A reduction in the discount rates used would result in an increase in the investment valuations.

The useful life of assets range is 26.9 years, depending on current lease and planning terms. If the lease and planning terms were to be extended further, this would result in an increase in investment valuations.

A significant change in any of the key inputs and assumptions used could materially impact the value of the Reserve Power investments. Reserve Power investments held at fair value constitute £67.5 million (11%) of the portfolio. If there was a 5% change in the value of the Reserve Power assets, this would have a £3.4 million impact upon the Company; a 10% change in the value of the Reserve Power assets would have a £6.7 million impact.

Notes to the Financial Statements (continued)

11 Financial instrument risk management (continued)

11.6 Sensitivity analysis of changes in key inputs and assumptions which may significantly change valuations (continued)

Other Infrastructure

This is primarily comprised of listed infrastructure investments. Investments held at fair value constitute £72.0m (12%) of the portfolio. If there was a 10% change in the value of these investments, this would have a £7.2m impact upon the Company.

PFI

These companies are valued with reference to the discounted value of future cash flows. A broad range of assumptions are used in the valuation models. These assumptions are based on long-term forecasts and are not affected by short term fluctuations in inputs, be they economic or technical. Revenues for PFI projects are determined at the start of the project as part of the Project Agreement (PA) and are stable RPI linked cash flows. Revenue is typically based on a forecast of project costs and required return. As such, unless there are significant deviations in the costs incurred, the assets are able to produce stable and predictable cash flows.

PFI investments held at fair value constitute £5.6m (1%) of the portfolio. If there was a 10% change in the value of these investments, this would have a £0.6m impact upon the Company.

Other Investments

The remainder of the portfolio (£88.3 million or 15%) is primarily held at cost. Investments held at fair value constitute £9m (2%) of the portfolio. If there was a 10% change in the value of these investments, this would have a £0.9m impact upon the Company.

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings

The companies in which the Company's interest at the year-end is more than 20% are as follows:

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
Ardross Infrastructure Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Direct	Ordinary shares, 100%
Blackmead Infrastructure Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Direct	Ordinary shares, 100%
Brighter Green Engineering Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Operations and maintenance contractor	Direct	A Ordinary shares, 100%
FS Ford Farm Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Direct	Ordinary shares, 99.99%
FS Form Farm Solar 1 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
FS Hayford Farm Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Direct	Ordinary shares, 99.99%
WSS Hayford Farm Solar Park Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
FS Tope Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Direct	Ordinary shares, 99.99%
Tope Farm Solar Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Industrial Efficiency II Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar energy efficiency projects	Direct	A Ordinary shares, 81.2%
Industrial Efficiency Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Energy efficiency projects	Direct	Ordinary shares, 100%
Leisure Efficiency Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Energy efficiency projects	Direct	Ordinary shares, 100%
Skibo Solar II Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Direct	Ordinary shares, 100%
Knowle Park Holdings Ltd	PO Box 156, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 4EU	Infrastructure management	Direct	Ordinary shares, 100%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
Knowle Park Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Infrastructure management	Indirect	Ordinary shares, 100%
Skibo Solar Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Indirect	Ordinary shares, 100%
Staffordshire Holdco Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	School infrastructure PFI	Indirect	Ordinary shares, 100%
Foresight Schools Stafford Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	School infrastructure PFI	Indirect	Ordinary shares, 100%
Total Schools Solutions Ltd	4 Manchester Square, London, W1U 3PD	School infrastructure PFI	Indirect	Ordinary shares, 50%
Romaco SPV 5 Ltd	15 Carnarvon Street, Manchester, England, M3 1HJ	Secured property bridging loans	Direct	8 Ordinary shares, 100%
Wharfedale SPV (Holdings) Ltd	Kelvin House, Buchanan Gate Business Park, Stepps, Glasgow, G33 6FB	Hospital infrastructure PFI	Direct	Ordinary shares, 25%
Wharfedale SPV Ltd	Kelvin House, Buchanan Gate Business Park, Stepps, Glasgow, G33 6FB	Infrastructure management	Indirect	Ordinary shares, 25%
Drumglass Holdco Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	School infrastructure PFI	Direct	Ordinary shares, 100%
Drumglass Investments Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	School infrastructure PFI	Indirect	Ordinary shares, 100%
Campus Projects (Drumglass) Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	School infrastructure PFI	Indirect	Ordinary shares, 100%
Blackmead Rooftop Holdco Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Indirect	Ordinary shares, 100%
Blackmead Rooftop 1 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Indirect	Ordinary shares, 100%
Barnfield Energy Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Boyd Energy Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
Browning Power Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Flintly Power Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Greshdown Energy Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Joply Power Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Pepys Power Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Sampton Energy Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Shawley Energy Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Tellington Power Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
SPC Acquisitions Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Heliox Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Solar Sun Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Heliox II Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Solar Sun 2 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Heliox III Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Solar Sun 3 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
Heliox IV Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Solar Sun 4 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Heliox V Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Solar Sun 5 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Helios VII Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Solar Sun 7 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Heliox VIII Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Solar Sun 8 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Heliox IX Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Solar Sun 9 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Heliox XI Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Roof Solar PV Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Heliox XII Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Rooftop solar projects	Indirect	Ordinary shares, 100%
Roof Solar PV 1 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 100%
Foresight Energy Storage Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Energy storage projects	Indirect	Ordinary shares, 100%

Averon Park Limited

Notes to the Financial Statements (continued)

12. Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
FS Nevendon Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Energy storage	Indirect	Ordinary shares, 100%
FS Port of Tyne Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Energy storage	Indirect	Ordinary shares, 100%
FP Foresight UK Infrastructure Income Fund	The Shard, 32 London Bridge Street, London SE1 9SG	Listed renewables and infrastructure income fund	Indirect	Income units, 38%
FP Foresight Global Real Infrastructure Fund	The Shard, 32 London Bridge Street, London SE1 9SG	Listed renewables and infrastructure income fund	Indirect	Accumulation units, 1%
Mercia Power Response (Holdings) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Lubenham Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Geddingham Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Fulwood Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Wellington Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Property 1) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Garnham Close) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Manners Avenue) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Kestrel Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Union Street) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
FRP Mercia Holdco Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Common Lane) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (The Wood Yard) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Whittington Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Private Road No. 5) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Nottingham Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Manners Avenue 2) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Cuckoo Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Chesterfield Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Asher Lane 2) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Albion Close) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Pontefract Road) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Graphite Way) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Sandy Lane) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%
Mercia Power Response (Outgang Lane) Ltd	Strelley Hall Main Street, Strelley, Nottingham, United Kingdom, NG8 6PE	Reserve power projects	Indirect	Ordinary shares, 57%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
FRP Shirebrook Holdco Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Reserve power projects	Indirect	Ordinary shares, 100%
Thornton Estate Energy Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Reserve power projects	Indirect	Ordinary shares, 100%
FW Discovery Holdco Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
FW Discovery Holdco 2 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
Second Generation Ltd	First Floor St James House, 13 Kensington Square, London, United Kingdom, W8 5HD	Wind power	Indirect	Ordinary shares, 100%
Second Generation Frodsham Ltd	First Floor St James House, 13 Kensington Square, London, United Kingdom, W8 5HD	Wind power	Indirect	Ordinary shares, 100%
Frodsham Wind Farm Holdings Ltd	Peel Dome Intu Trafford Centre, Traffordcity, Manchester, United Kingdom, M17 8PL	Wind power	Indirect	Ordinary shares, 100%
Frodsham Wind Farm Finance Ltd	Peel Dome Intu Trafford Centre, Traffordcity, Manchester, United Kingdom, M17 8PL	Wind power	Indirect	Ordinary shares, 100%
Frodsham Wind Farm Ltd	Peel Dome Intu Trafford Centre, Traffordcity, Manchester, United Kingdom, M17 8PL	Wind power	Indirect	Ordinary shares, 100%
Petersham Energy Ltd	First Floor St James House, 13 Kensington Square, London, United Kingdom, W8 5HD	Wind power	Indirect	Ordinary shares, 100%
Petersham Midco Ltd	First Floor St James House, 13 Kensington Square, London, United Kingdom, W8 5HD	Wind power	Indirect	Ordinary shares, 100%
Petersham Holdco Ltd	First Floor St James House, 13 Kensington Square, London, United Kingdom, W8 5HD	Wind power	Indirect	Ordinary shares, 100%
Awel Newydd Cyf	First Floor St James House, 13 Kensington Square, London, United Kingdom, W8 5HD	Wind power	Indirect	Ordinary shares, 100%
Shepham Holdco Ltd	First Floor St James House, 13 Kensington Square, London, United Kingdom, W8 5HD	Wind power	Indirect	Ordinary shares, 100%
Second Generation Shepham Ltd	First Floor St James House, 13 Kensington Square, London, United Kingdom, W8 5HD	Wind power	Indirect	Ordinary shares, 100%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
Second Generation Bottonnett Ltd	Second Floor Hanover House, 47 Corn Street, Bristol, England, BS1 1HT	Wind power	Indirect	Ordinary shares, 100%
FW Kinegar Holdco Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
Kinegar Wind Farm Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
FW MBB Holdco Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
FW NP Holdco Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
North Pickenham Windfarm LLP	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
Greenmead AD Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Anaerobic digestion projects	Indirect	Ordinary shares, 100%
Gorthill AD Ltd	3 High Street, Larne, Northern Ireland, BT40 1JN	Generation of electricity	Indirect	Ordinary shares, 25.5%
Kilmoyle AD Ltd	9 Kilmoyle Road, Ballymoney, County Antrim, Northern Ireland, BT53 6NR	Generation of electricity	Indirect	Ordinary shares, 25.5%
Skibo Solar III Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Indirect	Ordinary shares, 45.18%
Solektra Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Solar projects	Indirect	A Ordinary shares, 22.70%
New Kaine Solar Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 22.70%
Beech Farm Solar Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Generation of electricity	Indirect	Ordinary shares, 22.70%
FW G&T Wind Holdings Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
CEP Wind 1 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
CEP Wind 2 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
CEP Wind 3 Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
Gruig Wind Farm Ltd	The Soloist, Pinsent Masons LLP, 1 Lanyon Place, Belfast, Northern Ireland, BT1 3LP	Wind power	Indirect	Ordinary shares, 100%
Todmorden Moor Wind Farm Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
Pentre Solar Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
Balls Wood Solar Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
Signature Property Finance Holdings Ltd	Avon House 435 Stratford Road, Shirley, Solihull, West Midlands, United Kingdom, B90 4AA	Asset-backed lending	Indirect	Ordinary shares, 67%
Foresight ITA VCT Holdings S.r.l.	Via Fiori Oscuri n. 11, 20121 Milan	Solar projects	Indirect	Ordinary shares, 100%
ForVEI II S.r.l.	Via Eugenio Chiesa n. 4, 20122 Milan	Generation of electricity	Indirect	Ordinary shares, 26%
Foresight Belltown UK Wind Development Ltd	The Shard, 32 London Bridge Street, London SE1 9SG	Wind power	Indirect	Ordinary shares, 100%
Belltown Power UK Wind Ltd	Second Floor Hanover House, 47 Corn Street, Bristol, England, BS1 1HT	Wind power	Indirect	Ordinary shares, 91%
Blackmead Infrastructure Spain S.L.	Rambla de Cataluña, 38, 6, 08007 Barcelona, Spain	Solar projects	Indirect	Ordinary shares, 100%
Foresight Iberian Solar Group Holding Spain S.L.	Rambla de Cataluña, 38, 6, 08007 Barcelona, Spain	Solar projects	Indirect	Ordinary shares, 25%
Fotovoltaica Guzman I S.L.	Rambla de Cataluña, 38, 6, 08007 Barcelona, Spain	Generation of electricity	Indirect	Ordinary shares, 25%
Foresight S.C.A. SICAV-SIF	68-70, Boulevard de la Pétrusse, L-2320 Luxembourg	Solar projects	Indirect	Ordinary shares, 27%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related undertakings (continued)

Entity	Registered Address	Principal Activity	Direct / Indirect Holding	Class and Percentage of Shares Held
Foresight Energy Infrastructure Partners 1 S.a.r.l.	6C, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg	Wind power	Indirect	Ordinary shares, 100%
FW Skaftasen Holdco AB	Arise AB, Box 808, 301 18, Halmstad, Sweden	Wind power	Indirect	Ordinary shares, 100%
FW Skaftasen Bidco AB	Arise AB, Box 808, 301 18, Halmstad, Sweden	Wind power	Indirect	Ordinary shares, 100%
Skaftasen Vindkraft AB	Arise AB, Box 808, 301 18, Halmstad, Sweden	Wind power	Indirect	Ordinary shares, 100%

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related party transactions

Foresight Group LLP is considered to be a related party by virtue of the fact that Gary Fraser, Director, was a member of Foresight Group LLP at the balance sheet date. Gary Fraser does not earn any remuneration as a director. During the year Foresight Group LLP earned the following from Averon Park Limited:

	Fees earned by Foresight Group LLP from Averon Park Ltd in the year ended 31 March 2020	Fees earned by Foresight Group LLP from Averon Park Ltd in the year ended 31 March 2019
	£	£
Administration fees	9,936,771	3,370,400
Management fees*	4,645,231	7,107,260
	14,582,002	10,477,660

At the year end, £496,585 (2019: £2,244,441) was due from Foresight Group LLP within debtors. Additionally, £nil (2019: £nil) remained outstanding to Foresight Group LLP within creditors.

During the year, Blackmead Infrastructure Ltd purchased Foresight ITA VCT Holdings from Foresight Solar VCT at fair value of £10,893,691. This is considered to be a related party transaction by virtue of the fact that both the purchaser and the seller share the same Manager.

Ardross Infrastructure Ltd, Blackmead Infrastructure Ltd, Brighter Green Engineering Ltd, FS Ford Farm Ltd, FS Hayford Farm Ltd, FS Tope Ltd, Industrial Efficiency Ltd, Industrial Efficiency II Limited, Leisure Efficiency Ltd, Knowle Park Holdings Ltd, Romaco SPV 5 Ltd, and Skibo Solar II Ltd are considered related parties since they are subsidiaries of Averon Park Limited. Wharfedale SPV (Holdings) Ltd is considered a related party since it is an associate of Averon Park Limited.

**Management fees were charged for AITS investors only.*

Averon Park Limited

Notes to the Financial Statements (continued)

12 Related party transactions (continued)

Related party transactions for the above companies are as follows:

Year ended 31 March 2020

	Investment	Realisations	Interest recognised	Balance owed to Averon Park Ltd at year end (within debtors)	Balance owed by Averon Park Ltd at year end (within creditors)
	£	£	£	£	£
Ardross Infrastructure Ltd	-	-	-	-	-
Blackmead Infrastructure Ltd	222,631,579	-	4,117,625	-	10,000,000
Brighter Green Engineering Ltd	250,000	-	-	-	-
Foresight Metering Ltd	571,559	(39,089,781)	-	-	-
FS Ford Farm Ltd	-	(711,932)	210,012	42,891	-
FS Hayford Farm Ltd	-	(561,903)	57,387	6,896	-
FS Tope Ltd	-	(42,065)	51,723	12,268	-
Industrial Efficiency Ltd	-	-	39,799	153,778	-
Industrial Efficiency II Ltd	-	-	253,424	476,472	-
Leisure Efficiency Ltd	-	-	146,979	606,122	1,569,439
Knowle Park Holdings Ltd	-	-	-	-	-
Romaco SPV 5 Ltd	500,000	-	517,847	174,022	-
Skibo Solar II Ltd	-	-	-	-	-
Wharfedale SPV (Holdings) Ltd	-	-	30,953	15,478	-
	223,953,138	(40,405,681)	5,425,749	1,487,927	11,569,439

Year ended 31 March 2019

	Further investment	Realisations	Interest recognised	Balance owed to Averon Park Ltd at year end (within debtors)	Balance owed by Averon Park Ltd at year end (within creditors)
	£	£	£	£	£
Ardross Infrastructure Ltd	-	(3,727,214)	58,716	-	-
Blackmead Infrastructure Ltd	107,996,600	-	7,128,091	-	-
Brighter Green Engineering Ltd	294,630	(250,000)	-	-	-
Foresight Metering Ltd	4,713,884	-	-	-	-
FS Ford Farm Ltd	-	(374,902)	245,173	66,719	-
FS Hayford Farm Ltd	-	(344,038)	88,450	20,078	-
FS Tope Ltd	-	(318,925)	60,339	15,717	-
Industrial Efficiency Ltd	-	-	41,437	113,980	-
Industrial Efficiency II Ltd	-	-	96,216	223,048	-
Leisure Efficiency Ltd	-	-	153,048	459,143	-
Knowle Park Holdings Ltd	12,691,244	-	-	-	-
Romaco SPV 5 Ltd	6,950,000	-	427,863	290,567	-
Skibo Solar II Ltd	-	(1,928,116)	20,365	-	-
Wharfedale SPV (Holdings) Ltd	-	(15,477)	38,744	15,393	-
	132,646,358	(6,958,672)	8,358,442	1,204,645	-

Notes to the Financial Statements (continued)

11 Related party transactions (continued)

The Directors who held office during the year and their interests in the issued shares of £0.01 each of the Company were as follows:

	31 March 2020	31 March 2019
	Ordinary shares	Ordinary shares
Gary Fraser	-	-
Philip Jones	-	-
Graham Ross Russell	23,430	23,430

12 Ultimate controlling entity

The ultimate controlling entity is Foresight Group Holdings Ltd, a company registered in Guernsey with registered address Ground Floor Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT.

13 Post balance sheet events

In June 2020, Averon Park Limited agreed a £2.5m loan facility with Hospital Services Ltd, of which £1.25m was immediately drawn down. Romaco SPV 5 Ltd drew down an additional £1m on their loan facility in August 2020.

Since March 2020 the Company has issued 33,209,358 shares for £38,796,775 consideration.

COVID-19 continues to impact both the wider economy and the valuation of the Company's assets. The situation is being monitored and is factored into any investment and valuation decisions.