

**CAPITAL STAGE CADDINGTON II LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



**CAPITAL STAGE CADDINGTON II LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	M. Schirru N. Will
<b>Registered number</b>	09380730
<b>Registered office</b>	1st Floor Sackville House 143-149 Fenchurch Street London EC3M 6BN
<b>Independent auditors</b>	Wilder Coe Ltd Chartered Accountants & Statutory Auditors 1st Floor Sackville House 143-149 Fenchurch Street London EC3M 6BN

**CAPITAL STAGE CADDINGTON II LIMITED**

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## **CAPITAL STAGE CADDINGTON II LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Principal activity**

The principal activity of the Company during the year was that of the ownership and operation of a solar farm.

#### **Directors**

The directors who served during the year were:

M. Schirru (appointed 24 January 2020)  
N. Will (appointed 24 January 2020)  
M. Meyer (resigned 24 January 2020)

**CAPITAL STAGE CADDINGTON II LIMITED**

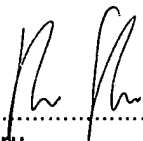
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**


**Auditors**

The auditors, Wilder Coe Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

This report was approved by the board on ..... 25 June 2021 ..... and signed on its behalf.

  
.....  
**M. Schirru**  
Director

  
.....  
**N. Will**  
Director

## **CAPITAL STAGE CADDINGTON II LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL STAGE CADDINGTON II LIMITED**

#### **Opinion**

We have audited the financial statements of Capital Stage Caddington II Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **CAPITAL STAGE CADDINGTON II LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL STAGE CADDINGTON II LIMITED (CONTINUED)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## CAPITAL STAGE CADDINGTON II LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL STAGE CADDINGTON II LIMITED (CONTINUED)

#### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include United Kingdom financial reporting standards, Company Law, Tax and pensions legislation and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.



**CAPITAL STAGE CADDINGTON II LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL STAGE CADDINGTON II  
LIMITED (CONTINUED)**

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Chris Abbott ACA MAAT (Senior Statutory Auditor)  
for and on behalf of



**Wilder Coe Ltd**  
Chartered Accountants & Statutory Auditors  
1st Floor Sackville House  
143-149 Fenchurch Street  
London  
EC3M 6BN  
Date: ..... 25 June 2021 .....

**CAPITAL STAGE CADDINGTON II LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	553,616	543,260
Cost of sales		(289,017)	(280,688)
<b>Gross profit</b>		<u>264,599</u>	<u>262,572</u>
Administrative expenses		(28,571)	(78,212)
Exceptional items		(126,256)	(101,118)
<b>Operating profit</b>	7	<u>109,772</u>	<u>83,242</u>
Interest payable and similar expenses	8	(227,544)	(237,050)
<b>Loss on ordinary activities before taxation</b>		<u>(117,772)</u>	<u>(153,808)</u>
Taxation on loss on ordinary activities	9	-	-
<b>Loss for the financial year</b>		<u>(117,772)</u>	<u>(153,808)</u>
Retained loss at the beginning of the year		(539,933)	(386,125)
Loss for the year		(117,772)	(153,808)
<b>Retained loss at the end of the year</b>		<u>(657,705)</u>	<u>(539,933)</u>

The notes on pages 9 to 18 form part of these financial statements.

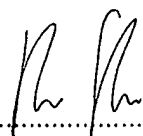
**CAPITAL STAGE CADDINGTON II LIMITED**  
**REGISTERED NUMBER: 09380730**

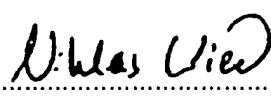
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	4,073,124	4,273,894
<b>Current assets</b>			
Debtors	11	65,377	63,462
Cash at bank		199,505	292,139
		<u>264,882</u>	<u>355,601</u>
Creditors: amounts falling due within one year	12	(477,833)	(321,633)
<b>Net current (liabilities)/assets</b>		<u>(212,951)</u>	<u>33,968</u>
<b>Total assets less current liabilities</b>		<u>3,860,173</u>	<u>4,307,862</u>
Creditors: amounts falling due after more than one year	13	(4,517,778)	(4,847,695)
<b>Net liabilities</b>		<u>(657,605)</u>	<u>(539,833)</u>
<b>Capital and reserves</b>			
Fully paid share capital	15	100	100
Profit and loss account		(657,705)	(539,933)
<b>Equity shareholders' deficit</b>		<u>(657,605)</u>	<u>(539,833)</u>

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

25 June 2021

  
 .....  
**M. Schirru**  
 Director

  
 .....  
**N. Will**  
 Director

The notes on pages 9 to 18 form part of these financial statements.

## **CAPITAL STAGE CADDINGTON II LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **1. General information**

Capital Stage Caddington II Limited (Company number: 09380730), having its registered office at 1st Floor, Sackville House, 143-149 Fenchurch Street, London, EC3M 6BN, is a private limited company incorporated in England and Wales.

The principal place of business of the Company is Cotswold Farm, Business Park, Millfield Lane, Caddington, Luton, LU1 4AJ.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Encavis AG as at 31 December 2020 and these financial statements may be obtained from the address given in note 17.

## CAPITAL STAGE CADDINGTON II LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.3 Going concern

At the year end, the Company had net liabilities of £657,605 (2019: £539,833) and has an outstanding loan balance due to its parent Company of £1,772,778 (2019: £1,934,905). The Company is currently cash generating and based on forecasted projections, no further financing is expected to be required from its parent Company.

The financial statements have been prepared using the going concern basis of accounting. In determining whether the Company's financial statements can be prepared on the going concern basis, the directors have considered all factors likely to affect its future development, performance and its financial position including uncertainties in solar powered generation of electricity, the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the directors were as follows:

- the banking facilities that the Company and the wider Group has to operate within;
- compliance with the Company and wider Group's loan facilities;
- the credit risk associated with the Company's trade receivables;
- the risk of loss of the Company's customer; and
- the potential actions that could be taken in the event that revenues are worse than expected.

The parent Company has committed to providing support to the Company to the extent of its present intercompany indebtedness for a period of not less than 12 months from the date of approval of these financial statements and has confirmed that it will not seek repayment during the support period, unless sufficient funds are available such that doing so will not compromise the going concern position.

Therefore, the Company expects to be able to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The directors acknowledge that there can be no certainty that the existing level of support from the parent Company will continue, although at the date of approval of these financial statements they have no reason to believe that the support will be withdrawn.

On this basis, the directors believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

## CAPITAL STAGE CADDINGTON II LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.4 Turnover

Turnover represents the fair value of the consideration received or receivable for the provision of services which fall within the Company's ordinary activities. All turnover arose within the United Kingdom. Turnover represents amounts recoverable from customers for supply of electricity and is measured as the fair value of the consideration received or receivable, stated net of discounts, returns and value added taxes. The Company recognises turnover when the amount of turnover can be reliably measured, when it is probable that future economic benefits will flow to the Company, and when specific criteria have been met for the company's activities, as described below:

##### *Power Supply*

Turnover for the supply of electricity is based on industry data flows and National Grid data. These include an estimate of power used based on the estimated annual consumption of each customer.

Payment is collected either as a direct debit or paid on receipt of bill in arrears. Overdue amounts are reviewed regularly for impairment and provision made as necessary.

##### *Renewable Obligation Certificates (ROCs)*

ROCs are awarded to the company from Ofgem based on generation of power. These ROCs are sold on receipt of certificate from Ofgem allowing transfer of title. The amount of turnover recognised on sale is in accordance with a contractual agreement where the pricing is based on Ofgem's minimum ROC value (the buy-out) and a prudent estimate of the recycle element of the final value of a ROC once all energy suppliers have complied or paid the penalty for non-compliance with the renewables obligation (the recycle). A final adjustment to ROC turnover and profit is recognised once Ofgem have announced the final out-turn ROC price.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Solar farm	-	4% Straight-line from commissioning of the farm
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

## CAPITAL STAGE CADDINGTON II LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment.

##### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

##### 2.8 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Derivatives, including interest rate swaps are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Income and Retained Earnings in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

##### 2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received..

##### 2.10 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is British Pound Sterling (GBP).

###### Transactions and balances

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

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

##### 2.11 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

## CAPITAL STAGE CADDINGTON II LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

##### 2.13 Taxation

Tax is recognised in the Statement of Income and Retained Earnings.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the United Kingdom where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

##### 2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

#### 3. Turnover

The whole of the turnover is attributable to the principal activity of the business being that of the ownership and operation of a solar farm.

All turnover arose within the United Kingdom.

#### 4. Employees

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

	2020 No.	2019 No.
Directors	2	1

During the year, no director received any emoluments (2019: £Nil).



**CAPITAL STAGE CADDINGTON II LIMITED**

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

**5. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,240	2,750
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Taxation compliance services	560	500
All other services	5,200	6,000
	<u>5,760</u>	<u>6,500</u>

**6. Exceptional items**

	2020 £	2019 £
Movements in fair value of interest rate swaps (see note 14)	126,256	101,118

**7. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	200,770	200,770
Difference on foreign exchange	253	75

**8. Interest payable and similar expenses**

	2020 £	2019 £
Other loan interest payable	116,517	122,166
Bank interest payable	111,027	114,884
	<u>227,544</u>	<u>237,050</u>

During the year, loan interest of £116,517 (2019: £122,166) was recognised as payable to Encavis AG, the Company's parent undertaking.

# CAPITAL STAGE CADDINGTON II LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 9. Taxation

	2020 £	2019 £
<b>Corporation Tax</b>		
Taxation on loss on ordinary activities	-	-
<b>Factors affecting tax charge for the year</b>		
The tax assessed for the year is higher than (2019 - <i>higher than</i> ) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:		
	2020 £	2019 £
Loss on ordinary activities before tax	(117,772)	(153,808)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(22,377)	(29,224)
<b>Effects of:</b>		
Expenditure from previous periods deductible in the current year	(996)	(997)
Depreciation for the year in excess of/(less than) capital allowances	1,120	(9,239)
(Utilisation)/creation of tax losses	(20,980)	25,752
Corporate interest restriction	43,233	-
Group relief surrendered	-	13,708
<b>Total tax charge for the year</b>	-	-

### Factors that may affect future tax charges

There are £736,119 (2019: £846,542) of trading losses available to offset against future profits of a similar nature.

At the year end the Company has restricted losses through Corporate Interest restriction rules of £327,544 (2019: £100,000)

**CAPITAL STAGE CADDINGTON II LIMITED**

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

**10. Tangible fixed assets**

	<b>Solar farm £</b>
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	<b>4,994,416</b>
<b>Depreciation</b>	
At 1 January 2020	<b>720,522</b>
Charge for the year	<b>200,770</b>
At 31 December 2020	<b>921,292</b>
<b>Net book value</b>	
At 31 December 2020	<b>4,073,124</b>
At 31 December 2019	<b>4,273,894</b>

**11. Debtors**

	<b>2020 £</b>	<b>2019 £</b>
<b>Due within one year</b>		
Trade debtors	<b>1,422</b>	<b>-</b>
Prepayments and accrued income	<b>63,955</b>	<b>63,462</b>
	<b>65,377</b>	<b>63,462</b>

**12. Creditors: Amounts falling due within one year**

	<b>2020 £</b>	<b>2019 £</b>
Bank loans (secured - see note 13)	<b>167,790</b>	<b>138,113</b>
Trade creditors	<b>-</b>	<b>5,821</b>
Taxation and social security	<b>40,470</b>	<b>33,519</b>
Fair value of interest rate swaps	<b>260,414</b>	<b>134,158</b>
Accruals and deferred income	<b>9,159</b>	<b>10,022</b>
	<b>477,833</b>	<b>321,633</b>

## CAPITAL STAGE CADDINGTON II LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 13. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
<b>Amounts falling due between one and five years</b>		
Bank loans (secured - see below)	684,280	648,737
<b>Amounts falling due after more than five years</b>		
Bank loans (secured - see below)	2,060,720	2,264,053
Amounts owed to group undertakings	1,772,778	1,934,905
	<u>4,517,778</u>	<u>4,847,695</u>

#### Secured loans

The bank loans with Bayerische Landesbank are repayable by instalments and are secured by way of a fixed and floating charge over the assets of the Company. The rate of interest for the short-term facility is at a margin of 1.8% over LIBOR. The rate of interest for the term facility is at a margin of 2.15% over LIBOR for the first 5 years and 2.25% over LIBOR thereafter. Both facilities are subject to interest rate swap agreements detailed in note 14.

The maximum term of the facilities runs to 31 December 2033.

The above amounts owed to group undertakings are not repayable by instalments and interest is charged at 6.5% per annum.

#### 14. Financial instruments

The Company has entered into two interest rate swap agreements relating to the bank loans currently held with Bayerische Landesbank. These financial instruments are measured at fair value through the Statement of Income and Retained Earnings. The details of the agreements are as follows:

- A swap agreement was entered into on 23 February 2017, with a termination date of 31 December 2021, being the full term of the short-term loan facility of the Company. A rate of 1.8% + LIBOR applied to the facility, and this agreement fixed LIBOR at a rate of 0.93%. As at 31 December 2019, the short-term loan facility consisted of £167,790 (2019: £138,113) included within bank loans due within one year and £Nil (2019: £167,790) included within bank loans due after more than one year.
- A swap agreement was entered into on 23 February 2017, with a termination date of 31 December 2033, being the full term of the long-term loan facility of the Company. A rate of 2.15% + LIBOR applied to the facility between 23 February 2017 and 22 February 2022, and a rate of 2.25% + LIBOR thereafter. This agreement fixed the rate of LIBOR at 1.59%. As at 31 December 2020, the long-term loan facility consisted of £2,745,000 (2019: £2,745,000) included within bank loans due after more than one year.

At the year end, the valuation of this agreement included within creditors due within one year was a liability of £260,414 (2019: £134,158).

The valuations of the financial instruments were provided by Bayerische Landesbank, the provider of the loans and financial instruments. The valuations are measured using the Black-Scholes model based on the yield curves.

CAPITAL STAGE CADDINGTON II LIMITED

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

15. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	100	100

16. Related party transactions

The Company has taken advantage of Section 33.1A of FRS102 in not disclosing transactions between wholly-owned members of a group.

17. Immediate and ultimate parent undertaking

As at 31 December 2020 and 31 December 2019 the immediate and ultimate parent undertaking is Encavis AG, a company incorporated in Germany.

Consolidated financial statements for Encavis AG can be obtained from the following address:  
Große Elbstraße 59  
22767 Hamburg  
Germany

There is no smaller or larger group in which the Company's results are consolidated.

18. Ultimate controlling party

As at 31 December 2020 and 31 December 2019 there was no single ultimate controlling party.