

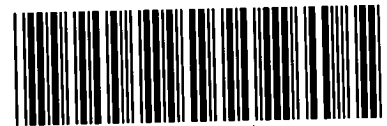
**REGISTERED NUMBER: 10715565 (England and Wales)**

**European Investments (Cornwall) Holdings  
Limited**

**Directors' Report and**

**Consolidated Financial Statements for the Year Ended 31 December 2019**

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**European Investments (Cornwall) Holdings  
Limited (Registered number: 10715565)**

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for the Year Ended 31 December 2019**

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**European Investments (Cornwall) Holdings  
Limited**

**Company Information  
for the Year Ended 31 December 2019**

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**DIRECTORS:**

M C Wayment  
T J Scott  
L E Hoddell  
R A Mattholie

**REGISTERED OFFICE:**

Beaufort Court  
Egg Farm Lane  
Off Station Road  
Kings Langley  
Hertfordshire  
WD4 8LR

**REGISTERED NUMBER:**

10715565 (England and Wales)

**AUDITORS:**

Deloitte LLP  
1 New Street Square  
London  
EC4A 3HQ

**Directors' Report  
for the Year Ended 31 December 2019**

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The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is that of a holding Company.

**REVIEW OF BUSINESS**

The Company was incorporated on 07 April 2017 and commenced trading on 27 June 2017.

On 27 June 2017, the Company acquired the entire share capital of European Investments (SCEL) Limited ("EIS"), another 100% subsidiary of its immediate parent Company, through a share-for-share exchange in a common control transaction. As such, the Company consolidates the previous EIH Group. On the same date, the Group refinanced its existing borrowings with loans drawn down by the Company and its subsidiary European Investments (Cornwall) Limited. Details of the bank borrowings are included in note 17.

The Group has performed well compared to budget during the year therefore the Directors' are satisfied with the performance of each Company.

**Results and Dividends**

The Group made a profit of £695,321 (2018: £547,237) and has net liabilities of £8,984,130 2018: £7,345,618). Dividends of £2,333,833 were paid during the current year.

**Future Developments**

The Directors do not anticipate any changes to the business activities in the forthcoming year.

The outbreak of COVID-19 is a very significant humanitarian and economic event facing many businesses. It has become clear that this will result in a significant economic slowdown, if not recession, in the months ahead. In this period of huge uncertainty, it is very difficult to make forward looking statements or predictions with any great certainty. However, we believe that the impact of COVID-19 will be a temporary disruption and will ultimately pass. In the meantime, we have stress tested our business model to understand what the impact would be, as discussed in the Going Concern statements in this annual report.

**Going concern review**

Since the start of 2020 there has been an outbreak of COVID-19 (coronavirus) which has led to uncertainty in the market. The Directors of European Investments (Cornwall) Holdings Limited continue to follow advice given by the World Health Organisation and Public Health England to ensure that best practice measures are followed. To date there has not been a material impact on the Company's operations. The Directors do not believe that there is a significant risk to the business as a result of the COVID-19 pandemic but will continue to monitor any future developments.

The Group made a profit of £695,321 (2018: £547,237) and has net liabilities of £8,984,130 2018: £7,345,618).

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the notes to the financial statements.

COVID-19 is a post balance sheet non adjusting event. While it will cause widespread economic disruption, its impact should be temporary. Given the use of Group funding to fund the underlying operations the Directors do not foresee any going concern issues.

**Financial risk management objectives and policies**

The Group has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the Group's performance. The Directors have policies for managing each of these risks and they are summarised below:

**Inflation risk**

The Group receives Feed in Tariff ("FiT") revenue based on a fixed tariff rate which is subject to an annual RPI adjustment. The impact of changes in inflation is managed by the use of RPI linked borrowings within the Group.

**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

**Directors' Report  
for the Year Ended 31 December 2019**

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**Trade receivables**

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2019 and 31 December 2018 are the carrying amounts.

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's policy to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds.

Refer to note 16 to 18 for more information regarding the maturity of the Group's financial liabilities. Trade and other payables in most circumstances are due within 3 months from the date of invoice.

**Events after the balance sheet date**

Details of significant events since the balance sheet date are contained in note 26 to the financial statements.

**DIRECTORS**

The Directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

M C Wayment  
T J Scott

Other changes in Directors holding office are as follows:

M R Patel - resigned 30 December 2019  
L E Hoddell - appointed 30 December 2019  
R A Mattholie - appointed 30 December 2019

**AUDITOR**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Reappointment of auditor**

Deloitte LLP has indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an AGM.

The Company has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a Strategic Report in accordance with section 414B of the Companies Act 2006.

**APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:**

*Laura E. Hoddell*

.....  
L E Hoddell - Director

Date: 4 May 2020

**Statement of Directors' Responsibilities  
for the Year Ended 31 December 2019**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 "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 accounting estimates that are reasonable and prudent;
- 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 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.

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of European Investments (Cornwall) Holdings Limited (the 'parent Company') and its subsidiaries:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent Company balance sheets;
- the consolidated and parent Company statements of changes in equity;
- the consolidated cash flow statement;
- notes to the consolidated cash flow statement; and
- related notes 1 to 26.

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).

### **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 auditor's 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 UK, including the Financial Reporting Council's (the 'FRC'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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and the Statement of Directors' Responsibilities, other than the financial statements and our auditor's 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 respect of these matters.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, 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.

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Report on other legal and regulatory requirements**

#### **Opinions 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.

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 any material misstatements in the Directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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 parent Company 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' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

### **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 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.



Anthony Matthews FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

Date: 4 May 2020



**European Investments (Cornwall) Holdings  
Limited (Registered number: 10715565)**

**Consolidated Profit & loss account  
for the Year Ended 31 December 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>	4	6,624,929	6,315,327
Cost of sales		<u>(2,958,144)</u>	<u>(3,334,485)</u>
<b>GROSS PROFIT</b>		3,666,785	2,980,842
Administrative expenses		<u>(788,746)</u>	<u>(560,952)</u>
		2,878,039	2,419,890
Other operating income	5	<u>-</u>	<u>293,197</u>
<b>OPERATING PROFIT</b>	7	2,878,039	2,713,087
Interest payable and similar expenses	8	<u>(1,858,220)</u>	<u>(1,872,092)</u>
<b>PROFIT BEFORE TAXATION</b>		1,019,819	840,995
Tax on profit	9	<u>(324,498)</u>	<u>(293,758)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>695,321</u>	<u>547,237</u>
Profit attributable to: Owners of the parent		<u>695,321</u>	<u>547,237</u>

The notes form part of these financial statements

**European Investments (Cornwall) Holdings  
Limited (Registered number: 10715565)**

**Consolidated Statement of Comprehensive Income  
for the Year Ended 31 December 2019**

	2019 £	2018 £
<b>PROFIT FOR THE YEAR</b>	695,321	547,237
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>695,321</u>	<u>547,237</u>
Total comprehensive income attributable to: Owners of the parent	<u>695,321</u>	<u>547,237</u>

The notes form part of these financial statements

**European Investments (Cornwall) Holdings  
Limited (Registered number: 10715565)**

**Consolidated Balance Sheet  
31 December 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	11	13,876,493	14,674,514
Tangible assets	12	<u>25,082,074</u>	<u>26,143,363</u>
		<u>38,958,567</u>	<u>40,817,877</u>
<b>CURRENT ASSETS</b>			
Stocks	14	131,810	108,366
Debtors	15	800,554	1,956,294
Cash at bank and in hand		<u>3,958,539</u>	<u>3,431,675</u>
		4,890,903	5,496,335
<b>CREDITORS</b>			
Amounts falling due within one year	16	<u>(6,676,123)</u>	<u>(5,364,191)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(1,785,220)</u>	<u>132,144</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		37,173,347	40,950,021
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(44,360,370)	(46,680,926)
<b>PROVISIONS FOR LIABILITIES</b>	21	<u>(1,797,107)</u>	<u>(1,614,713)</u>
<b>NET LIABILITIES</b>		<u>(8,984,130)</u>	<u>(7,345,618)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	<sup>1</sup> <u>(8,984,131)</u>	<sup>1</sup> <u>(7,345,619)</u>
Profit and loss account			
<b>SHAREHOLDERS' DEFICIT</b>		<u>(8,984,130)</u>	<u>(7,345,618)</u>

The financial statements were approved by the Board of Directors on 4 May 2019 and were signed on its behalf by:

*Laura E. Hoddell*

.....  
L E Hoddell - Director

**European Investments (Cornwall) Holdings  
Limited (Registered number: 10715565)**

**Company Balance Sheet  
31 December 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Investments	13	<u>18,076,362</u>	<u>18,076,362</u>
		<u>18,076,362</u>	<u>18,076,362</u>
<b>CURRENT ASSETS</b>			
Debtors	15	74,688	569,393
Cash at bank and in hand		<u>190,771</u>	<u>180,117</u>
		265,459	749,510
<b>CREDITORS</b>			
Amounts falling due within one year	16	<u>(2,542,763)</u>	<u>(2,514,879)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,277,304)</u>	<u>(1,765,369)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		15,799,058	16,310,993
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	<u>(8,009,701)</u>	<u>(8,212,691)</u>
<b>NET ASSETS</b>		<u>7,789,357</u>	<u>8,098,302</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	1	1
Profit and loss account		<u>7,789,356</u>	<u>8,098,301</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>7,789,357</u>	<u>8,098,302</u>
Company's profit for the financial year		<u>2,024,888</u>	<u>2,096,659</u>

The financial statements were approved by the Board of Directors on 4 May 2020 and were signed on its behalf by:

*Laura E. Hoddell*

.....  
L E Hoddell - Director

**European Investments (Cornwall) Holdings  
Limited (Registered number: 10715565)**

**Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2018</b>	1	(6,142,856)	(6,142,855)
<b>Changes in equity</b>			
Dividends paid	-	(1,750,000)	(1,750,000)
Total comprehensive income	-	547,237	547,237
<b>Balance at 31 December 2018</b>	<u>1</u>	<u>(7,345,619)</u>	<u>(7,345,618)</u>
<b>Changes in equity</b>			
Dividends paid	-	(2,333,833)	(2,333,833)
Total comprehensive income	-	695,321	695,321
<b>Balance at 31 December 2019</b>	<u>1</u>	<u>(8,984,131)</u>	<u>(8,984,130)</u>

The notes form part of these financial statements

**European Investments (Cornwall) Holdings  
Limited (Registered number: 10715565)**

**Company Statement of Changes in Equity  
for the Year Ended 31 December 2019**

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	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2018</b>	1	7,751,642	7,751,643
<b>Changes in equity</b>			
Dividends paid	-	(1,750,000)	(1,750,000)
Total comprehensive income	-	<u>2,096,659</u>	<u>2,096,659</u>
<b>Balance at 31 December 2018</b>	<u>1</u>	<u>8,098,301</u>	<u>8,098,302</u>
<b>Changes in equity</b>			
Dividends paid	-	(2,333,833)	(2,333,833)
Total comprehensive income	-	<u>2,024,888</u>	<u>2,024,888</u>
<b>Balance at 31 December 2019</b>	<u>1</u>	<u>7,789,356</u>	<u>7,789,357</u>

The notes form part of these financial statements

**European Investments (Cornwall) Holdings  
Limited (Registered number: 10715565)**

**Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	6,076,110	4,078,597
Interest paid		<u>(475,946)</u>	<u>(70,488)</u>
Net cash from operating activities		<u>5,600,164</u>	<u>4,008,109</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment		(414,867)	(959,831)
Sale of tangible fixed assets		<u>103,935</u>	<u>185,222</u>
Net cash from investing activities		<u>(310,932)</u>	<u>(774,609)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(2,428,534)	(2,271,814)
Dividends paid		<u>(2,333,833)</u>	<u>(1,750,000)</u>
Net cash from financing activities		<u>(4,762,367)</u>	<u>(4,021,814)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>526,865</u>	<u>(788,314)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>3,431,675</u>	<u>4,219,989</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>3,958,540</u></u>	<u><u>3,431,675</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019 £	2018 £
Profit before taxation	1,019,819	840,995
Depreciation and amortisation charges	2,324,355	2,314,391
Finance costs	<u>1,858,220</u>	<u>1,872,092</u>
	5,202,394	5,027,478
Increase in stocks	(26,791)	(34,118)
Decrease/(increase) in trade and other debtors	864,584	(628,829)
Increase/(decrease) in trade and other creditors	46,678	(34,150)
Decrease in accruals and deferred income	<u>(10,755)</u>	<u>(251,784)</u>
<b>Cash generated from operations</b>	<u><b>6,076,110</b></u>	<u><b>4,078,597</b></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31/12/19 £	1/1/19 £
Cash and cash equivalents	<u>3,958,540</u>	<u>3,431,675</u>

Year ended 31 December 2018

	31/12/18 £	1/1/18 £
Cash and cash equivalents	<u>3,431,675</u>	<u>4,219,989</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/19 £	Cash flow £	At 31/12/19 £
<b>Net cash</b>			
Cash at bank	<u>3,431,675</u>	<u>526,865</u>	<u>3,958,540</u>
	<u>3,431,675</u>	<u>526,865</u>	<u>3,958,540</u>
<b>Debt</b>			
Debts falling due within 1 year	(2,347,620)	(39,968)	(2,387,588)
Debts falling due after 1 year	<u>(46,680,926)</u>	<u>2,322,254</u>	<u>(44,358,672)</u>
	<u>(49,028,546)</u>	<u>2,282,286</u>	<u>(46,746,260)</u>
<b>Total</b>	<u><b>(45,596,871)</b></u>	<u><b>2,809,151</b></u>	<u><b>(42,787,720)</b></u>



**1. STATUTORY INFORMATION**

European Investments (Cornwall) Holdings Limited is a private Company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the General Information page.

The financial statements are presented in the functional currency of the Group, Pounds Sterling (£), as this is the currency of the primary economic area in which the Group operates.

The financial statements have been prepared on a going concern basis, under the historical cost convention (modified to include certain items at fair value) and in accordance with the Companies Act 2006 and FRS 102 issued by the Financial Reporting Council. The principal accounting policies, which have been applied consistently throughout the current year and prior year, are set out below.

**Going Concern**

The Group made a profit of £695,321 (2018: £547,237) and has net liabilities of £8,984,130 (2018: £7,345,618).

The financial statements have been prepared on the going concern basis.

The intermediate holding Company, The Renewables Infrastructure Group (UK) Investments Limited (TRIG UK) has confirmed and committed to the Directors that it will not demand repayment for existing unsecured intercompany loans such that insolvency would result, for a period of at least twelve months from the date of signing of the Annual Report and Financial Statements.

The Directors have considered the Group's cash flow forecast for the period to the end of March 2021 and are satisfied that the Group, taking account of the Company's and the Group's reasonably possible changes in trading performance and the current funds available, the Company and the Group are able to operate for at least twelve months from the signing of the Annual Report and Financial Statements. For this reason, the Directors believe that the Group has adequate resources to continue in operational existence and therefore it is appropriate that the Group continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The Group accounts consolidate the financial statements of European Investments (Cornwall) Holdings Limited and all its subsidiary undertakings drawn up to 31 December each year. No individual profit and loss account is presented for European Investments (Cornwall) Holdings Limited as permitted by section 408 of the Companies Act 2006.

On 27 June 2017 European Investments (Cornwall) Holdings Limited acquired the entire issued share capital of European Investments (SCEL) Limited Group. The transaction has been deemed to form part of a Group reconstruction exercise and has been accounted for as a common control business combination, using the predecessor value method, as there has been no change in the ultimate controlling party as a result of the transaction.

The Company has not taken advantage of any of the FRS 102 disclosure exemptions available to qualifying entities.

**Basis of consolidation**

The Group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings together with the group's share of the results of associates made up to 31 December.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on

2. ACCOUNTING POLICIES - continued

**Turnover**

Turnover represents income from the generation of energy from an operational solar park during the period. Any un invoiced income is accrued in the period in which it has been generated. Feed-in Tariff revenue is recognised at the point of generation. Electricity revenue is recognised at the point of the DNO / production meter.

Turnover is stated net of value added tax and is generated entirely within the United Kingdom.

**Goodwill**

Goodwill is the amount paid in connection with the initial acquisition of the Company's subsidiaries in 2012. Goodwill has been amortised over the expected remaining life of the Feed in Tariff regimes (25 years in total) of the subsidiary special purpose vehicles (SPV).

**Intangible assets**

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following basis

Other intangibles	- 4% straight line
-------------------	--------------------

Other intangibles represents the cost of know-how, in connection with the development of a solar park and the benefits of contracts including grid connection offers.

An amortisation period of 25 years has been used in line with the solar parks' expected useful economic lives under the Feed in Tariff regime. The amortisation charge is included within "Cost of sales" in the profit & loss account presented on page 7.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, on a straight line basis over their expected useful lives as follows:

Solar PV assets	- 4% per annum
Inverters	- 6.67% per annum

Solar PV Assets represents the costs of construction of solar plants (excluding inverters), solar panels, civil/structural and electrical costs, grid connection, planning and professional fees that are directly attributable to bringing the asset to its working condition for its intended use.

Rent and interest costs incurred prior to the commissioning of the solar park have been capitalised.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is measured as the initial purchase price.

## 2. ACCOUNTING POLICIES - continued

### Financial instruments

The Group has chosen to adopt the recognition and measurement provisions of Section 11 & 12 of FRS 102 for financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### Basic financial instruments

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The Group is obligated to keep a separate cash reserve in respect of its debt service requirements and future major maintenance costs. This restricted cash balance, which is shown on the balance sheet within the "cash at bank and in hand" balance, amounts to £1,646,981 (2018: £1,580,496) at the year-end.

#### Trade and other debtors/creditors

Trade and other debtors/creditors are classified as payable or receivable within one year and are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

#### Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in profit or loss with the exception of hedging instruments in a designated hedging relationship which are recognised as set out below.

#### Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique.

2. **ACCOUNTING POLICIES - continued**

**Decommissioning costs**

The Group has recognised a provision for decommissioning obligations associated with its solar parks. Provision for decommissioning is recognised in full when the related facilities are installed. A corresponding amount equal to the provision is also recognised as part of the cost of the related plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to plant and equipment. The unwinding of the discount on the decommissioning is included as a finance cost. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

**Fixed asset investments**

Investments held as fixed assets are stated at cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Recoverable amount is the higher of its net realisable value and its value-in-use.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated using tax rates enacted or substantially enacted by the period end.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

The charge for taxation is based on the total comprehensive income or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Operating leases**

Rentals payable under operating leases are based on the level of income received during the period and are charged to the profit and loss account on an accruals basis.

**Interest payable**

Interest payable on loans is charged to the profit and loss account on an accruals basis.

**Revenue recognition**

Revenue represents monies from the generation of energy from operational solar parks during the period. Any un-invoiced revenue is accrued in the period in which it has been generated. Revenue is recognised at the point of generation, when the risks and rewards are passed to the customer.

Revenue is stated net of value added tax and is generated entirely within the United Kingdom.

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting judgements and estimates in determining the financial condition and results of the Group are those requiring a greater degree of subjective or complete judgement. These relate to:

#### Critical accounting judgements

- Depreciation of property, plant and equipment

The depreciation methods estimated remaining useful lives and residual values are reviewed on an ongoing basis. The estimated useful life of Inverters was revised in 2015 to a total of 15 years as a result of the review (previously 25 years).

#### Key sources of estimation uncertainty

- Deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The deferred tax asset at the year end is £38,040 (2018: £362,538).

- Decommissioning provision

The Group has recognised a provision for decommissioning obligations associated with its solar parks. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The decommissioning provision at the year end is £1,797,107 (2018: £1,614,713).

### 4. TURNOVER

The Group's turnover is derived entirely from the generation of electricity within the United Kingdom. Turnover recognised in the profit or loss account is analysed as follows:

	2019 £	2018 £
Sale of electricity	707,040	683,834
Feed-in-Tariff	<u>5,917,889</u>	<u>5,631,493</u>
	<u>6,624,929</u>	<u>6,315,327</u>

Turnover comprises of Other operating income relating insurance proceeds for business interruption during the reporting period.

### 5. OTHER OPERATING INCOME

	2019 £	2018 £
Liquidated damages	<u>-</u>	<u>293,197</u>

Other operating income comprises of insurance proceeds received during the reporting period relating business interruptions.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

6. EMPLOYEES AND DIRECTORS

There were no employees or staff costs for the year ended 31 December 2019 nor for the year ended 31 December 2018

	2019 £	2018 £
Directors' remuneration	-	-

The Directors' emoluments were borne by the ultimate Group undertaking in both the current year and prior year. It is not practicable to allocate costs to the Group for the services performed by the Directors in relation to the Group.

7. OPERATING PROFIT

	2019 £	2018 £
Rent	324,598	348,979
Depreciation	1,560,630	1,516,605
Goodwill amortisation	678,099	678,099
Other intangibles amortisation	119,921	119,921
Impairment of fixed assets	69,776	185,222
Insurance proceeds included in cost of sales	-	(172,487)
Auditor remuneration - Audit of consolidated accounts	11,000	12,750
Auditor remuneration - Audit of subsidiary Company accounts	28,116	29,240

No non-audit services were provided to the Group or Company during the current or prior year.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank loan interest	1,596,844	1,632,478
Loan interest payable to Group undertakings	233,232	219,107
Unwinding of discount on provision	28,144	27,911
	<u>1,858,220</u>	<u>1,879,496</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

9. TAXATION

Income tax on loss on ordinary activities

The tax charge comprises:

	2019 £	2018 £
<b>Current tax:</b>		
UK Corporation tax on the profit for the period	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	324,498	293,758
Total deferred tax (see note 15)	324,498	293,758
Total tax on profit	324,498	293,758
Total current and deferred tax relating to items of other comprehensive income (see note 15)	-	-

A reduction in the main rate of Corporation Tax from 19% to 17% previously enacted was due to take effect from 1 April 2020. As deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods of reversal, the Company has recognised all deferred tax closing balances using a rate of 17% where relevant. While the Finance Bill published on 19 March 2020 includes provision to reverse the reduction to 17 %, leaving the rate at 19 % from 1 April 2020, this legislation was not substantively enacted at the balance sheet date and has not been used for purposes of these accounts.

Factors affecting the tax charge/(credit)

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows:

	2019 £	2018 £
Accounting profit before taxation	1,019,819	840,996
At standard rate of corporation tax in the UK of 19% (2018: 19%)	193,765	159,789
Tax effect of non-deductible items	40,070	39,689
Amortisation of goodwill on consolidation	128,839	128,839
Change in tax rates	(38,176)	(34,559)
Fair value movement of unhedged derivatives	-	-
Income tax expense in statement of profit or loss	324,498	683,816

10. INDIVIDUAL PROFIT & LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent Company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Other intangibles £	Totals £
<b>COST</b>			
At 1 January 2019 and 31 December 2019	<u>16,952,475</u>	<u>3,000,000</u>	<u>19,952,475</u>
<b>AMORTISATION</b>			
At 1 January 2019	4,360,319	917,643	5,277,962
Amortisation for year	<u>678,099</u>	<u>119,921</u>	<u>798,020</u>
At 31 December 2019	<u>5,038,418</u>	<u>1,037,564</u>	<u>6,075,982</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>11,914,057</u>	<u>1,962,436</u>	<u>13,876,493</u>
At 31 December 2018	<u>12,592,156</u>	<u>2,082,357</u>	<u>14,674,513</u>

12. TANGIBLE FIXED ASSETS

	Solar PV Assets £	Inverters £	Totals £
<b>COST</b>			
At 1 January 2019	34,959,920	1,895,241	36,855,161
Additions:			
Property, plant and equipment	94,268	320,600	414,868
Decommissioning provision	154,250	-	154,250
Disposal	<u>-</u>	<u>(103,935)</u>	<u>(103,935)</u>
at 31 December 2019	<u>35,208,438</u>	<u>2,111,906</u>	<u>37,320,344</u>
<b>DEPRECIATION</b>			
At 1 January 2019	10,179,461	532,338	10,711,799
Charge for the year	1,397,712	162,918	1,560,630
Depreciation on disposal	<u>-</u>	<u>(34,159)</u>	<u>(34,159)</u>
at 31 December 2019	<u>11,577,173</u>	<u>661,097</u>	<u>12,238,270</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>23,631,265</u>	<u>1,450,809</u>	<u>25,082,074</u>
At 31 December 2018	<u>24,780,459</u>	<u>1,362,903</u>	<u>26,143,362</u>

The tangible assets are pledged as security against the Group's bank borrowings.



**13. FIXED ASSET INVESTMENTS**

**Company**

Shares in  
group  
undertakings  
£

**COST AND NET BOOK VALUE**  
At 31 December 2019 and 2018

7,757,909

**Company**

Loans to  
group  
undertakings  
£

At 31 December 2019

10,318,453

The Group and Company investments at the balance sheet date in the share capital of companies include the following:

**Subsidiaries**

**European Investments (SCEL) Limited (08022435)**

Nature of business: Holding Company

Address:

Beaufort Court  
Egg Farm Lane  
Off Station Road  
Hertfordshire  
WD4 8LR

Class of shares:  
Ordinary £1.00

%  
holding  
100

The following companies are subsidiaries of European Investments (SCEL) Limited, therefore European Investments (Cornwall) Holdings Limited has an effective interest equal to the percentage holdings:

**European Investments (Cornwall) Limited (08030338)**

Nature of business: Holding Company

Address:

Beaufort Court  
Egg Farm Lane  
Off Station Road  
Hertfordshire  
WD4 8LR

Class of shares:  
Ordinary £1.00

%  
holding  
100

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

**Churchtown Farm Solar Limited (07611290)**

Nature of business: Operator of a solar farm

Address:

Beaufort Court  
Egg Farm Lane  
Off Station Road  
Hertfordshire  
WD4 8LR

Class of shares:	%
Ordinary £0.01	holding 100

**East Langford Solar Limited (07610799)**

Nature of business: Operator of a solar farm

Address:

Beaufort Court  
Egg Farm Lane  
Off Station Road  
Hertfordshire  
WD4 8LR

Class of shares:	%
Ordinary £0.01	holding 100

**Manor Farm Solar Limited (07611300)**

Nature of business: Operator of a solar farm

Address:

Beaufort Court  
Egg Farm Lane  
Off Station Road  
Hertfordshire  
WD4 8LR

Class of shares:	%
Ordinary £0.01	holding 100

14. **STOCKS**

	Group	
	2019	2018
	£	£
Spare parts	<u>131,810</u>	<u>108,366</u>

15. **DEBTORS**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	2	69,836	-	-
Other debtors	3,342	477,284	-	-
VAT	38,612	98,370	925	2,050
Prepayments and accrued income	<u>720,558</u>	<u>948,266</u>	<u>73,763</u>	<u>567,343</u>
	<u>762,514</u>	<u>1,593,756</u>	<u>74,688</u>	<u>569,393</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

15. DEBTORS - continued

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due after more than one year:				
Deferred tax	<u>38,040</u>	<u>362,538</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>800,554</u>	<u>1,956,294</u>	<u>74,688</u>	<u>569,393</u>

**Deferred tax asset**

Based on the forecast profitability within the Group, it is expected that certain timing differences will reverse in the future to reduce current taxation. Accordingly, a deferred tax asset has been recognised.

The deferred tax asset assuming a tax rate of 17% (2018: 17%) can be analysed as follows:

	2019	2018
	£	£
Accelerated depreciation in excess of capital allowances	(19,518)	258,441
Derivative financial instruments	-	61,357
Other timing differences	47,349	42,560
Tax losses	<u>10,209</u>	<u>-</u>
	<u>38,040</u>	<u>362,538</u>

The movement in the deferred tax asset comprises of:

	2019	2018
	£	£
Balance at 1 January 2019	362,538	656,296
Debit to profit and loss account during period	<u>(324,498)</u>	<u>(293,758)</u>
Balance at 31 December 2019	<u>38,040</u>	<u>362,538</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 18)	2,387,588	2,347,620	262,627	254,487
Trade payables	255,839	229,166	-	-
Other creditors	50,000	-	1,736,939	1,684,614
Accruals and deferred income	<u>3,982,696</u>	<u>2,787,405</u>	<u>543,197</u>	<u>575,778</u>
	<u>6,676,123</u>	<u>5,364,191</u>	<u>2,542,763</u>	<u>2,514,879</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans (see note 18)	41,527,884	43,907,118	5,177,215	5,438,883
Other loans (see note 18)	<u>2,832,486</u>	<u>2,773,808</u>	<u>2,832,486</u>	<u>2,773,808</u>
	<u>44,360,370</u>	<u>46,680,926</u>	<u>8,009,701</u>	<u>8,212,691</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year or on demand:				
Senior bank loans	<u>2,387,588</u>	<u>2,347,620</u>	<u>262,627</u>	<u>254,487</u>
Amounts falling due between one and two years:				
Senior bank loans	<u>2,456,359</u>	<u>2,387,588</u>	<u>274,969</u>	<u>262,627</u>
Amounts falling due between two and five years:				
Bank loans 2-5 years	<u>7,637,911</u>	<u>7,511,764</u>	<u>880,835</u>	<u>853,884</u>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Loans due to parent >5 years	<u>2,832,486</u>	<u>2,773,808</u>	<u>2,832,486</u>	<u>2,773,808</u>
Repayable by instalments				
Bank loans >5 years by instalments	<u>31,433,614</u>	<u>34,007,766</u>	<u>4,021,411</u>	<u>4,322,372</u>

**Group**

Interest is charged on loans from the parent Company at a rate of 8.5% which are due for repayment between 31 March 2034 and 30 September 2036. Loans were issued at market value and are measured at amortised cost.

The Group refinanced its bank borrowings. In 2016, and up to 27 June 2017, interest was charged on bank loans at a rate of LIBOR + 3.15% + a mandatory cost. The Group had entered into semi-annual interest rate swap agreements in relation to the bank loans to fix interest at 4.3% per annum (refer to note 13 for further details).

The refinanced borrowings are payable in semi-annual instalments to 31 March 2036. The Capital and Interest payments are RPI linked. Interest is charged at a fixed rates of 0.01% and 3.783% adjusted for inflation on each interest payment date. Loan issue costs with a carrying value of £810,726 as at the balance sheet date incurred in obtaining finance have been netted off against the loan value and are amortised over the life of the loan.

**Company**

Interest is charged on loans from the parent Company at a rate of 8.5% which are due for repayment between 31 March 2034 and 30 September 2036. Loans were issued at market value and are measured at amortised cost.

The bank borrowings are payable in instalments and is due for repayment on 31 March 2036. The Capital and Interest payments are RPI linked. Interest is charged at a rate of 3.783%.

All loans are held at amortised cost less impairment.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

**Group**

	Non-cancellable operating leases	
	2019 £	2018 £
Within one year	<u>118,872</u>	<u>116,762</u>

The Group has no non-cancellable operating leases.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2019	2018
	£	£
Bank loans	<u>43,913,773</u>	<u>46,253,038</u>

Bank loans are secured by a fixed and floating charge over the assets of the Group.

21. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
<b>Decommissioning movement:</b>		
At 1 January 2019	1,614,713	1,579,583
Re-assessment of provision due to change in discount rate	28,144	7,219
Unwinding of discount	<u>154,250</u>	<u>27,911</u>
At 31 December 2019	<u>1,797,107</u>	<u>1,614,713</u>

The provision for decommissioning costs represents the Directors' best estimate of the costs required to return the sites to their previous use at the end of the 25 year life of the solar park. The present value of the estimated cost has been arrived at using a discount rate equal to the current 25 year UK government bond yield at year end 1.24% (2018: 1.74%).

22. CALLED UP SHARE CAPITAL

	No.	2019	No.	2018
		£		£
Allocated, called up and fully paid				
Ordinary shares of £1 each	1	<u>1</u>	1	<u>1</u>

23. ULTIMATE PARENT Company

The ultimate parent undertaking and controlling party of the Company is The Renewables Infrastructure Group Limited, a Company registered in Guernsey. The Company's registered address is: The Renewables Infrastructure Group Limited, East Wing, Trafalgar Court, Les Banques, St Peter Port, GY1 3PP, Guernsey.

At the balance sheet date, the immediate parent undertaking of the Company is The Renewables Infrastructure Group (UK) Limited, which is incorporated in England and Wales. The largest and smallest Company which consolidates the results of the Company is European Investments (Cornwall) Holdings Limited.

24. CONTINGENT LIABILITIES

The Company is included within a Group VAT registration scheme, involving certain Group undertakings. As such the Company is jointly and severally liable for the amounts owed by the other companies at the balance sheet date. As at 31 December 2018, £38,613 (2018: £90,726) VAT was refundable to the Group.

25. RELATED PARTY DISCLOSURES

As the parent Company of the European Investments (Cornwall) Holdings Ltd Group, the Company has taken exemption under Section 33.1A of FRS 102 not to provide information on related party transactions with other undertakings within the European Investments (Cornwall) Holdings Ltd Group.

Included in note 18 is a loan of £2,832,486 (2018: £2,773,808) owed to The Renewables Infrastructure Group (UK) Investments Limited, a firm holding 100% of the shares in the Company. Interest of £233,232 (2018: £219,107) has been accrued on the loan during the year.

**26. POST BALANCE SHEET EVENTS**

As noted in the Directors' Report the Directors have considered the impact of the COVID-19 virus. Working together with the relevant third parties, the Directors have implemented an emergency recovery plan to ensure that the operational impact on the solar farm will be minimised. At the time of signing, it is expected that the virus will have a limited impact on the performance of the farm. Accordingly, there has been no adjustment to any current or prior year figures as a result of the virus, and the going concern basis is still deemed appropriate.