

Report of the Directors and  
Financial Statements for the Year Ended 31 December 2020  
for  
Andritz Hydro Hammerfest (UK) Limited

Contents of the Financial Statements  
for the Year Ended 31 December 2020

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Income Statement	7
Abridged Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

<b>DIRECTORS:</b>	M Schoeberl H Heber M Schneeberger G Kriegler
<b>REGISTERED OFFICE:</b>	Spaces, Tay House 300 Bath Street 2nd Floor, Office 45 Glasgow G2 4JR
<b>REGISTERED NUMBER:</b>	SC338485 (Scotland)
<b>SENIOR STATUTORY AUDITOR:</b>	Bruce Marks
<b>AUDITORS:</b>	KPMG LLP Chartered Accountants 319 St Vincent Street Glasgow G2 5AS
<b>SOLICITORS:</b>	Shepherd and Wedderburn 5th Floor, 1 Exchange Crescent Conference Square Edinburgh EH13 8UL

Report of the Directors  
for the Year Ended 31 December 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**PRINCIPAL ACTIVITY**

The principle activity of the company in the year under review was that of monitoring, operating, designing and marketing tidal power turbines. The company continues to provide such services to the MeyGen projects in the Pentland Firth.

The company's employees continue to support the group's development of tidal turbines and other technology and that the costs of these employees, the office accommodation in the UK, other overheads and interest payments are funded by cash advances provided by the company's parent company, and the company is now not expected to be cash generative.

The company is reliant upon the continued support of its parent company to provide ongoing funding and not to seek repayment of the balance already advanced. The parent company has confirmed its willingness to support the company for the foreseeable future being a period of not less than 12 months from the date of signing the financial statements and therefore the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The current capital structure of the company, with significant inter-company balances due to fellow group companies, is such that there is no realistic prospect that these balances will be repaid and as noted in note 1 to the financial statements this means that there is material uncertainty in relation to going concern.

**DIRECTORS**

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

M Schoeberl  
H Heber  
M Schneeberger  
G Kriegler

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ( UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the Directors  
for the Year Ended 31 December 2020

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

**AUDITORS**

KPMG LLP were appointed as auditors.

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

**ON BEHALF OF THE BOARD:**

M Schoeberl - Director

28 September 2021

Report of the Independent Auditors to the Members of  
Andritz Hydro Hammerfest (UK) Limited

**Opinion**

We have audited the financial statements of Andritz Hydro Hammerfest (UK) Limited ("the company") for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet and related notes, including the accounting policies in note 2.

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 profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for Opinion**

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

**Material uncertainty related to going concern**

We draw attention to note 2 to the financial statements which indicates that the company's ability to continue as a going concern is dependent on financial support from its ultimate parent company and the availability of this financial support is uncertain. These events and conditions, along with other matters explained in note 2, constitute a material uncertainty that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Going Concern Basis of Preparation**

The directors have prepared the financial statements on a going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists. Based on our financial statements audit work, we consider the directors use of the going concern basis of accounting in the preparation of the financial statements to be appropriate.

**Fraud and breaches of laws and regulations - ability to detect**

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Considering remuneration incentive schemes and performance targets for management/ directors/ sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenues consist of routine, non-complex transactions that are subject to systematic processing and the invoicing process requires numerous levels of approval.

We did not identify any additional fraud risks.

**Fraud and breaches of laws and regulations - ability to detect (continued)**

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

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

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Report of the Independent Auditors to the Members of  
Andritz Hydro Hammerfest (UK) Limited

**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 Report of the Directors.

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

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

We have nothing to report in these respects.

**Responsibilities of directors**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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

Bruce Marks (Senior Statutory Auditor)  
for and on behalf of KPMG LLP  
Chartered Accountants  
319 St Vincent Street  
Glasgow  
G2 5AS

28 September 2021



Income Statement  
for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
<b>TURNOVER</b>		242,382	523,210
Cost of sales		<u>(155,297)</u>	<u>(878,666)</u>
<b>GROSS PROFIT/(LOSS)</b>		87,085	(355,456)
Administrative expenses		<u>(171,585)</u>	<u>(720,754)</u>
		(84,500)	(1,076,210)
Other operating income		<u>252,331</u>	<u>730,000</u>
<b>OPERATING PROFIT/(LOSS)</b>	5	167,831	(346,210)
Interest payable and similar expenses	7	<u>(131,877)</u>	<u>(112,480)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		35,954	(458,690)
Tax on profit/(loss)	8	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>35,954</u>	<u>(458,690)</u>

The notes form part of these financial statements

Abridged Balance Sheet  
31 December 2020

	Notes	2020 £	2019 £
<b>CURRENT ASSETS</b>			
Debtors		57,586	30,143
Cash at bank and in hand		<u>293,076</u>	<u>176,121</u>
		350,662	206,264
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		<u>(9,056,380)</u>	<u>(8,947,936)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(8,705,718)</u>	<u>(8,741,672)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(8,705,718)</u>	<u>(8,741,672)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	23,877,819	23,877,819
Retained earnings	12	<u>(32,583,537)</u>	<u>(32,619,491)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(8,705,718)</u>	<u>(8,741,672)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 December 2020 in accordance with Section 444(2A) of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2021 and were signed on its behalf by:

M Schoeberl - Director

Statement of Changes in Equity  
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>	23,877,819	(32,160,801)	(8,282,982)
<b>Changes in equity</b>			
Deficit for the year	-	(458,690)	(458,690)
Total comprehensive income	-	(458,690)	(458,690)
Total transactions with owners, recognised directly in equity	-	-	-
<b>Balance at 31 December 2019</b>	23,877,819	(32,619,491)	(8,741,672)
<b>Changes in equity</b>			
Profit for the year	-	35,954	35,954
Total comprehensive income	-	35,954	35,954
Total transactions with owners, recognised directly in equity	-	-	-
<b>Balance at 31 December 2020</b>	23,877,819	(32,583,537)	(8,705,718)

Notes to the Financial Statements  
for the Year Ended 31 December 2020

1. **STATUTORY INFORMATION**

Andritz Hydro Hammerfest (UK) Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Andritz Hydro Hammerfest (UK) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activity are set out in the report of the Directors.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The financial statements have been prepared under the historic cost convention. The present currency is £ sterling because that is the currency of the primary economic environment that the company operates.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in this note, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Directors note that there are no longer any critical judgements in applying accounting policies

**Going concern**

The financial statements have been prepared on the going concern basis, notwithstanding, the profit for the year to 31 December 2020 of £35,954 (2019: £-458,690) and the net liabilities of £8,705,718 (2019: £8,741,672), which the directors believe to be appropriate for the following reasons.

As further explained in the Report of the Directors, the company's trade is solely focused on providing services for the benefit of its parent undertaking Andritz AG ("Andritz"). The Directors have considered cash-flow forecasts for a period of at least 12 months from the approval of these financial statements considering reasonably possible downsides, including the impact of COVID-19.

These forecasts indicate that the company is dependant in all cases on funding from Andritz to meet its liabilities as they fall due for that period. This includes Andritz not seeking repayment of the current amounts currently due to it, which at 31 December 2020 amounted to £8,950,510 and providing additional financial support during that period. Andritz has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayments of the amounts due at the balance sheet date, for the period covered by the forecasts.

The activities of the Company are not however, integral to the activities of Andritz and therefore the Directors consider that there is not a sufficiently clear economic rationale for Andritz to continue to support the company and as a result there is uncertainty that the support which Andritz has indicated is available would be provided as required.

Based on these indications the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

**2. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover is stated net of VAT and trade discount. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Intangible assets - research and development**

Expenditure on research and development is capitalised where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and will be amortised only when commercial production begins. Provision is made for any impairment.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value each asset over its expected useful life, as follows:

Computer equipment - 25%-33% straight line

Fixtures and fittings - 20% straight line

**Financial instruments**

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

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

**Financial assets and 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 financing transaction, the financial asset or liability is measure at the present value of the asset.

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 company 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 flow from the financial assets expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**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 recognised in the profit and loss in the period in which they arise.

**Leases**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at their fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss amount over the period for the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the term of the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution scheme. The company recognises a cost equal to their contribution payable for the period in their profit or loss. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

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

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

- the requirements of Section 7 Statement of Cash Flows.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Decommissioning obligation**

The company has deployed its fixed assets at a third party test facility. The company has a contractual obligation to remove the assets at the end of the test period. The estimated costs of decommissioning are included in the cost of fixed assets.

3. **EMPLOYEES AND DIRECTORS**

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

3. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2020	2019
Project Management	1	1
Design and Engineering	3	3
Local G&A	1	1
IT	1	1
IT MH	1	1
	<u>7</u>	<u>7</u>

Andritz Hydro Hammerfest (UK) Limited operates a defined contribution scheme. The pension cost represents contributions payable by the company and amounted to £19,228, (2019: £19,368). Contributions totalling £9,509, (2019: £5,110) were payable to the fund at the year end and are included in creditors falling due within one year.

4. **DIRECTORS' EMOLUMENTS**

None of the Directors of Andritz Hydro Hammerfest (UK) Limited received any remuneration from the company in the years ended 31 December 2020 and 31 December 2019.

5. **OPERATING PROFIT/(LOSS)**

The operating profit (2019 - operating loss) is stated after charging:

	2020	2019
	£	£
Hire of plant and machinery	6,099	17,249
Other operating leases	43,403	36,397
Depreciation - owned assets	<u>-</u>	<u>1,014</u>

6. **AUDITORS' REMUNERATION**

	2020	2019
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>15,231</u>	<u>12,164</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Intercompany loan interest	132,502	142,077
Foreign exchange gain	(625)	(29,597)
	<u>131,877</u>	<u>112,480</u>

8. **TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

8. **TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit/(loss) before tax	<u>35,954</u>	<u>(458,690)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	6,831	(87,151)
Effects of:		
Increase in tax losses carried forward	-	87,151
Capital allowances claimed in excess of depreciation	<u>(6,831)</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

Following budget 2021 announcements, the rate will remain at 19% from 1 April 2021.

A deferred tax asset amounting to £5,813,298 (2019: 5,651,888) was not recognised as there was insufficient certainty of profits being generated against which they could not be recovered.

9. **INTANGIBLE FIXED ASSETS**

	Totals £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>16,276,001</u>
<b>AMORTISATION</b>	
At 1 January 2020 and 31 December 2020	<u>16,276,001</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

The expense on the plant and machinery used in the development of technology related to the manufacture of tidal powered turbines was capitalised in accordance with Accounting for Research and Development requirements of FRS102.



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

10. **TANGIBLE FIXED ASSETS**

	Totals £
<b>COST</b>	
At 1 January 2020	14,940,427
Disposals	(27,962)
At 31 December 2020	<u>14,912,465</u>
<b>DEPRECIATION</b>	
At 1 January 2020	14,940,427
Eliminated on disposal	(27,962)
At 31 December 2020	<u>14,912,465</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal value: l	2020 £	2019 £
23,877,819	Ordinary	1	<u>23,877,819</u>	<u>23,877,819</u>

12. **RESERVES**

	Retained earnings £
At 1 January 2020	(32,619,491)
Profit for the year	35,954
At 31 December 2020	<u>(32,583,537)</u>

13. **ULTIMATE CONTROLLING PARTY**

The immediate parent company is Andritz Hydro Hammerfest Strom AS, a company registered in Norway (registered office at c/o Hammerfest Energi AS, Rossmollgata 50, 9601 Hammerfest; registration number 979 152 256) and the smallest group in which the results of this company are consolidated. The consolidated financial statements are prepared in Norway. Andritz GmbH is the largest group in which the results of the company are consolidated. The Andritz GmbH consolidated financial statements are prepared in Austria and are available at <http://www.andritz.com>.

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