

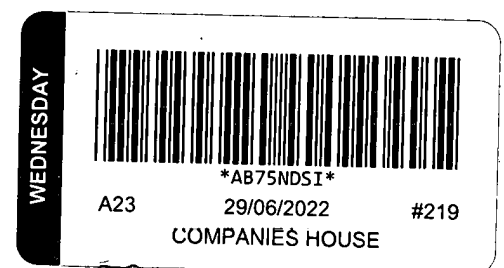
Welborne Energy LLP

Report and Financial Statements

Year Ended

30 June 2021

Company Number OC392114



Welborne Energy LLP

Information

Designated Member

Southwick Solar Farm Limited

Member

M E Thistlethwayte

LLP registered number

OC392114

Registered office

2nd Floor 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Independent auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Welborne Energy LLP

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Welborne Energy LLP

Members' Report For the Year Ended 30 June 2021

The members present their report together with the financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the LLP is the operation of a solar farm and the generation and sale of electricity.

Designated Members

Southwick Solar Farm Limited

Members

M E Thistlethwayte

Policy on members' drawings and the subscription and repayment of members' capital

The individual members may draw one quarter of the basis rent on account of the Lease Income Payment as defined in the LLP agreement, on 25 March, 24 June, 29 September and 25 December each year.

Risk Management and Control

In the ordinary course of business, the LLP is exposed to and manages a variety of risks in relation to its activities, including financial risk. The management of credit, interest rate, liquidity and operational risks are fundamental to the LLP, with the Board of Members having responsibility for the overall system of internal control and for reviewing its effectiveness.

The key areas of risk in relation to the use of financial statements are listed below and are properly addressed by the management of the LLP:

Credit risk: Losses due to the inability or unwillingness of a customer to meet its obligations. This is mitigated by the LLP entering into price agreements with creditworthy counterparties for the purchase of electricity to be generated by the solar photovoltaic plant.

Interest risk: Fluctuations in the prevailing levels of market rates of interest pose a risk to the LLP's financial position and cash flows. This is not considered a significant risk to the LLP as the interest on loans is charged at a fixed rate and are not subject to interest movements in the market.

Liquidity risk: Failure to meet financial obligations in a timely and cost effective manner due to mismatches in the maturity profile of assets and liabilities. The LLP closely monitors its cash flow levels and financial obligations to anticipate its future cash commitments.

Operational risk: Failure to meet expected levels of generation output due to technical issues affecting performance of the plant. The LLP has sought to mitigate this risk by the appointment of Bluefield Services Ltd, as its dedicated asset manager, with responsibility for closely monitoring the performance of the plant, ensuring activities conducted by 3rd party contractors are completed in a timely fashion and, as required, contractual protections are enforced. The LLP also has insurance policies in place that protect against generation loss in situations out of the LLP's control.

Price risk: Thirty six percent of the income generated by the LLP is linked to power market prices and so in the unlikely event of a major structural shift in power prices due to reduced demand or excess energy supply, there could be an impact on the LLP's earnings. A rolling programme of PPA contract expiries has been implemented to mitigate risk, alongside the fact the LLP receives sixty four percent of its income from the government backed ROC regime.

Welborne Energy LLP

Members' Report (continued) For the Year Ended 30 June 2021

Risk Management and Control (continued)

Covid-19 risk: During the year there has been limited impact on the business and its activities. In order to minimise the risk of disruption to the solar plants, mitigating steps including executing safe remote working policies with key service providers and contractors, have been consistently reviewed by management. The Members have continued to review the forecasts to ensure a true and fair reflection of the impact, if any, of Covid-19.

Management are continuously monitoring the impact of Covid-19 and do not expect a significant impact in the future. Refer to Note 1.2 for Covid impact on going concern.

Results

The results for the year are shown on page 8.

Members' responsibilities statement

The members are responsible for preparing the members' report and the financial statements in accordance with applicable laws and regulations.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' Report is approved have confirmed that:

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

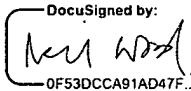
Welborne Energy LLP

Members' Report (continued) For the Year Ended 30 June 2021

Auditor

The auditor, BDO LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditor at a meeting of the members.

This report was approved by the members on 6/28/2022 and signed on their behalf by:

DocuSigned by:

N A Wood
On behalf of Southwick Solar Farm Limited
Designated member

Welborne Energy LLP

Independent Auditor's report to the members of Welborne Energy LLP

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Welborne Energy LLP ("the Limited Liability Partnership") for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Welborne Energy LLP

Independent Auditor's report to the members of Welborne Energy LLP (continued)

Other information

The Members are responsible for the other information. The other information comprises the information included in the Members' Report, 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting as applied to limited liability partnerships

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Members' report.

Responsibilities of Members

As explained more fully in the Members' responsibilities statement, the Members 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 Members 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 Members are responsible for assessing the Limited Liability Partnership'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 Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

Welborne Energy LLP

Independent Auditor's report to the members of Welborne Energy LLP (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the Company and industry, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, corporation tax and sales tax.

We obtained an understanding of the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error.

Audit procedures performed by the Company engagement team included:

- Holding discussions with management and considering any known or suspected instances of non-compliance with laws and regulations or fraud;
- Testing the appropriateness of journal entries made through the year by applying specific criteria to detect possible irregularities and fraud;
- Assessing the judgements made by management when making key accounting estimates and judgements, and challenging management on the appropriateness of these judgements; and
- Reviewing minutes from board meetings of those charges with governance to identify any instances of non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Welborne Energy LLP

Independent Auditor's report to the members of Welborne Energy LLP (continued)

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership'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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Marc Reinecke

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Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

29 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Welborne Energy LLP

Statement of Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 £	2020 £
Turnover	3	4,925,118	5,502,331
Administrative expenses		(3,065,681)	(2,816,603)
		<hr/>	<hr/>
Operating profit	4	1,859,437	2,685,728
Interest receivable and similar income	6	-	126
Interest payable and similar expenses	7	(3,322,171)	(3,355,570)
		<hr/>	<hr/>
Loss before tax		(1,462,734)	(669,716)
Loss allocated to members' interest		1,462,734	669,716
		<hr/>	<hr/>
Loss for the year before members' remuneration and profit shares		-	-
		<hr/>	<hr/>
Loss for the financial year available for discretionary division among members			

There was no other comprehensive income for 2021(2020:£NIL).

All amounts relate to continuing activities of the LLP.

The notes on pages 12 to 20 form part of these financial statements.

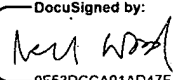
Welborne Energy LLP
Registered number: OC392114

Statement of Financial Position
As at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	31,802,789	33,417,640
Current assets			
Debtors: amounts falling due within one year	9	7,198,314	3,725,118
		<u>7,198,314</u>	<u>3,725,118</u>
Creditors: Amounts Falling Due Within One Year	10	(650,870)	(663,362)
Net current assets		<u>6,547,444</u>	<u>3,061,756</u>
Total assets less current liabilities		<u>38,350,233</u>	<u>36,479,396</u>
Creditors: amounts falling due after more than one year	11	(43,074,977)	(39,752,806)
		<u>(4,724,744)</u>	<u>(3,273,410)</u>
Provisions for liabilities			
Other provisions	13	(467,410)	(456,010)
Net liabilities		<u>(5,192,154)</u>	<u>(3,729,420)</u>
Represented by:			
Loans and other debts due to members within one year			
Members' other interests			
Members' capital classified as equity		(5,192,154)	(3,729,420)
		<u>(5,192,154)</u>	<u>(3,729,420)</u>
Total members' interests			
Members' other interests		(5,192,154)	(3,729,420)
		<u>(5,192,154)</u>	<u>(3,729,420)</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 6/28/2022

N A Wood
On behalf of Southwick Solar Farm Limited
Designated member

DocuSigned by:

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The notes on pages 12 to 20 form part of these financial statements.

Welborne Energy LLP

Statement of Changes in Equity For the Year Ended 30 June 2021

	Members' other interests £	Total equity £
At 1 July 2020	(3,729,420)	(3,729,420)
Comprehensive loss for the year		
Allocated loss	(1,462,734)	(1,462,734)
At 30 June 2021	<u>(5,192,154)</u>	<u>(5,192,154)</u>

Statement of Changes in Equity For the Year Ended 30 June 2020

	Members' other interests £	Total equity £
At 1 July 2019	(3,059,704)	(3,059,704)
Comprehensive loss for the year		
Allocated loss	(669,716)	(669,716)
At 30 June 2020	<u>(3,729,420)</u>	<u>(3,729,420)</u>

The notes on pages 12 to 20 form part of these financial statements.

Welborne Energy LLP

Statement of Cash Flows For the Year Ended 30 June 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the year	(1,462,734)	(669,716)
Adjustments for:		
Depreciation of tangible assets	1,614,851	1,614,850
Interest payable and similar expenses	3,322,171	3,355,570
Interest receivable and similar income	-	(126)
Decrease in debtors	168,225	3,693
(Increase) in amounts owed by groups	(3,641,421)	(34,426)
(Decrease) in creditors	(12,492)	(211,094)
Increase in provisions	11,400	11,123
Net cash generated from operating activities before transactions with members	<u>-</u>	<u>4,069,874</u>
Cash flows from investing activities		
Interest received	-	126
Net cash from investing activities	<u>-</u>	<u>126</u>
Cash flows from financing activities		
Loans from group companies repaid	-	(714,430)
Interest paid	-	(3,355,570)
Net cash used in financing activities	<u>-</u>	<u>(4,070,000)</u>
Net increase in cash and cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of year comprise:		
	<u>-</u>	<u>-</u>

The notes on pages 12 to 20 form part of these financial statements.

Welborne Energy LLP

Notes to the Financial Statements For the Year Ended 30 June 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

Welborne Energy LLP (the "LLP") is a Limited Liability Partnership incorporated in England and Wales under the Companies Act. The address of the registered office is given on the LLP information page and the nature of the LLP operations and its principal activities are set out in the Members' report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies (see note 2).

1.2 Going concern

These accounts have been prepared on a going concern basis. The members believe this basis is appropriate following the consideration of cashflow forecasts which show the LLP is able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

The Members have considered the impact which the current economic downturn, triggered by Covid- 19, could have on the ability of the LLP to continue as a going concern. In their view, whilst the demand for electricity generation may decrease in the short term, the ability of the LLP to generate electricity will not be materially impacted. Importantly, as the LLP's revenues are derived from the sale of electricity, a fall in electricity demand has no impact on 64% of the LLP's revenues, as these are backed by government subsidies and limited impact on the remaining 36% as these are sold through power purchase agreements on a rolling fixed term basis. As such, the Members do not expect a significant impact on revenue and cash flows of the entity. The LLP has in place risk mitigation plans in order to ensure, as far as possible, electricity generation from the plant is maintained. The LLP's key service providers have all successfully implemented remote working policies with contractors providing onsite operational technical support treated as key workers with unfettered access to the sites in order to carry out necessary works if required. Hence the Members do not consider the impact of Covid-19 to have a material impact on the LLP's ability to continue as a going concern.

The Members have also concluded that the LLP's ability to continue as a going concern has not been impacted by the current crisis in the Ukraine.

Should any unforeseen circumstances require additional funding, the LLP has obtained written confirmation from its parent that it would provide financial support to meet the LLP's liabilities for a period of at least twelve months from the date the financial statements are approved.

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax. Turnover refers to income from electricity generation, through owning and operating a ground mounted solar photovoltaic installation, which provides turnover from the sale of electricity and the Renewables Obligation Certificates. Turnover is recognised as electricity is generated.

Welborne Energy LLP

Notes to the Financial Statements For the Year Ended 30 June 2021

1. Accounting policies (continued)

1.4 Tangible fixed assets

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

The LLP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

The estimated useful lives range as follows:

Plant and machinery	- Over the term of the lease for the site (25 years)
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.5 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Welborne Energy LLP

Notes to the Financial Statements For the Year Ended 30 June 2021

1. Accounting policies (continued)

1.7 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Welborne Energy LLP

Notes to the Financial Statements For the Year Ended 30 June 2021

1. Accounting policies (continued)

1.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1.12 Members' remuneration

Profits of the LLP will be allocated between the Members and shall be credited to the Members' current accounts with the LLP as soon as the annual accounts for the relevant accounting year of the LLP are approved by the Members.

The Individual Members are entitled to the Lease Income Payment and the remaining profits (if any) are allocated to the Corporate Member.

Any losses of any nature shall be allocated to the Corporate Member.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

a) Going concern - refer to note 1.2.

b) Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

c) Accrued income is calculated on the actual electricity generated which is not able to be invoiced as it is yet to be validated by external parties or for various other reasons. Estimates are sometimes made with regards to price on portions of income or other certain aspects of the accrued income based on management's best information of the price at the time such as contracted prices or recent history of transactions.

d) There is an obligation to restore the land back to its original condition at the end of the lease. The estimated amount in the accounts is calculated by multiplying the weighted average cost of restoration per MW by the capacity MWp of the farm and discounted over the life of the lease at a 2.5% risk free rate.

Welborne Energy LLP

Notes to the Financial Statements For the Year Ended 30 June 2021

3. Turnover

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	1,614,851	1,614,850
Auditors remuneration:		
Fees Payable to the LLP's auditor for the audit of the LLP's annual financial statements	4,140	3,891
Fees payable to the LLP's auditors for other services:		
- Accounting services	4,613	4,613
- Taxation compliance services	5,759	3,922
Operating leases - land	<u>235,590</u>	<u>221,924</u>

5. Employees

The LLP has no employees.

6. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	-	126
	<u>-</u>	<u>126</u>

7. Interest payable and similar expenses

	2021 £	2020 £
Interest on loan from parent	3,322,171	3,355,570
	<u>3,322,171</u>	<u>3,355,570</u>

Welborne Energy LLP

Notes to the Financial Statements For the Year Ended 30 June 2021

8. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 July 2020	41,932,908
At 30 June 2021	<u>41,932,908</u>
Depreciation	
At 1 July 2020	8,515,268
Charge for the year	1,614,851
At 30 June 2021	<u>10,130,119</u>
Net book value	
At 30 June 2021	<u>31,802,789</u>
At 30 June 2020	<u>33,417,640</u>

9. Debtors

	2021 £	2020 £
Trade debtors	316,743	631,943
Amounts owed by parent	4,533,217	891,796
Other debtors	360,865	360,865
Prepayments and accrued income	1,987,489	1,840,514
	<u>7,198,314</u>	<u>3,725,118</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

10. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	107,060	100,317
Other creditors	105,584	126,240
Accruals and deferred income	438,226	436,805
	<u>650,870</u>	<u>663,362</u>

11. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	43,074,977	39,752,806
	<u>43,074,977</u>	<u>39,752,806</u>

The loan is repayable in 2041 and bears interest at a rate of 8%, compounding annually on 30 June, and increasing in line with the annual RPI for the previous 12 months. The loan is unsecured.

12. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>7,146,217</u>	<u>3,681,537</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(43,620,263)</u>	<u>(40,289,927)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, accrued income and amounts owed by parent.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors and amounts owed to parent.

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Notes to the Financial Statements For the Year Ended 30 June 2021

13. Provisions

	Restoration provision £
At 1 July 2020	456,010
Charged to profit or loss	11,400
At 30 June 2021	467,410

The restoration provision relates to the land of the solar farm. The provision will be fully utilised at the end of the lease period which expires on 31 December 2040.

14. Reconciliation of members' interests

	Members' other interests Members' other interests £	Total £
Balance at 1 July 2019	(3,059,704)	(3,059,704)
Members' interests after profit for the period	(3,059,704)	(3,059,704)
Loss allocated to members' interests	(669,716)	(669,716)
Balance at 1 July 2020	(3,729,420)	(3,729,420)
Members' interests after loss for the year	(3,729,420)	(3,729,420)
Loss allocated to members' interests	(1,462,734)	(1,462,734)
Balance at 30 June 2021	(5,192,154)	(5,192,154)

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

15. Commitments under operating leases

At 30 June 2021 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	236,768	233,565
Later than 1 year and not later than 5 years	958,970	945,996
Later than 5 years	3,511,142	3,720,421
	4,706,880	4,899,982

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Notes to the Financial Statements For the Year Ended 30 June 2021

16. Related party transactions

The LLP has taken advantage of the exemption available in Section 33.1A of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

The LLP incurred expenses and fees of £152,634 (2020: £147,387) payable to Bluefield Services Limited. The amounts represent asset management services provided by Bluefield Services Limited in advising the LLP. At the year end £459 (2020: £nil) was owed to Bluefield Services Limited.

The LLP incurred expenses and fees of £365,459 (2020: £339,398) payable to Bluefield Operations Limited. The amounts represent asset management services provided by Bluefield Services Limited in advising the LLP. At the year end £110,173 (2020: £93,472) was owed to Bluefield Operations Limited.

Bluefield Services Limited and Bluefield Operations Limited are under the control of the group's investment advisors.

17. Controlling party

Southwick Solar Farm Limited is the corporate member of the LLP and has control over Welborne Energy LLP under the terms of the Limited Liability Partnership agreement. The ultimate parent company is Bluefield Solar Income Fund Limited incorporated in Guernsey.