Directors' Report and

Financial Statements for the Year Ended 31 December 2018

for

Equitix Kessingland Limited

Previously known as Thrive Renewables (Kessingland) Limited

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COMPANIES HOUSE

Contents of the Financial Statements
for the Year Ended 31 December 2018

Company Information
for the Year Ended 31 December 2018

DIRECTORS:	Achal Bhuwania Jonathan Smith Roger Kraemer
REGISTERED OFFICE:	Welken House 10-11 Charterhouse Square London EC1M 6EH
REGISTERED NUMBER:	06330517 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR
SOLICITORS:	TLT Solicitors LLP One Redcliff Street Bristol BS1 6TP

The directors present their report with the audited financial statements of the company for the year ended 31st December 2018.

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

CHANGE OF NAME

The company passed a special resolution on 14 February 2019 changing its name from Thrive Renewables (Kessingland) Limited to Equitix Kessingland Limited.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the operation of an on-shore wind farm in Kessingland, Norfolk.

REVIEW OF BUSINESS

The profit for the financial year amounted to £454,533 (2017: £393,133). The directors consider the future prospects of the company to be favourable with the continued operation of the on-shore wind farm in Kessingland, Norfolk.

In February 2019 Thrive Renewables plc sold 100% of the shares in Equitix Kessingland Limited (formerly Thrive Renewables (Kessingland) Limited). The company passed a special resolution on 13 February 2019 changing its name from Thrive Renewables (Kessingland) Limited to Equitix Kessingland Limited.

DIVIDENDS

The company paid an interim dividend of £Nil during the year (2017: £600,000).

DIRECTORS

The following were appointed as directors after 31 December 2018 but prior to the date of this report.

P Bhuwania	13/02/2019
C Smith	13/02/2019
R Kraemer	09/04/2019

The following ceased to be directors after 31 December 2018 but prior to the date of this report.

M Clayton	13/02/2019
K Cross	13/02/2019
M Paplaczyk	13/02/2019

All resignations were as a result of a change in ownership of the business.

FINANCIAL RISK MANAGEMENT
The main financial risks arising from the company's activities are liquidity risk, commodity price risk and credit risk.

Liquidity risk
The company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient funds to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company achieves this by monitoring cash flow forecasts on a 'rolling forecast' basis to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its cash reserves at all times so as not to breach borrowing limits or covenants.

Commodity price risk
The company's operations result in exposure to fluctuations in energy prices. In order to manage this, management ensures that the company enters in to sale contracts where the price is fixed for an extended period. Management also ensures that once the fixed period has concluded, the contract includes a minimum renewal price (a 'floor price'). This ensures that the profits can be maintained at a minimum level to ensure the ongoing profitability of the company.

Credit risk
The company's exposure to credit risk arises from its debtors from customers. At the statement of financial position date the directors have concluded that no provision for doubtful debts is necessary and believe that there is no further credit risk.

EVENTS SINCE THE END OF THE YEAR

In February 2019 Thrive Renewables plc sold 100% of the shares in Equitix Kessingland Limited (formerly Thrive Renewables (Kessingland) Limited). The company passed a special resolution on 13 February 2019 changing its name from Thrive Renewables (Kessingland) Limited to Equitix Kessingland Limited.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

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.

AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

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Director R. Kraemer

Date: 13/9/2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Equitix Kessingland Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:
- the directors' use of the going concern basis of accounting in the 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 the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' responsibilities for the audit of the financial statements

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

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. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions
Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Date: 13/9/19

Statement of Comprehensive Income
for the Year Ended 31 December 2018

	Notes	2018 £	2017 £
TURNOVER		1,277,359	1,339,918
Cost of sales		(534,279)	(549,800)
GROSS PROFIT		743,080	790,118
Administrative expenses		(107,835)	(92,942)
		635,245	697,176
Other operating income	4	121,402	-
OPERATING PROFIT		756,647	697,176
Interest receivable and similar income		1,930	1,277
		758,577	698,453
Interest payable and similar expenses	5	(190,941)	(206,688)
PROFIT BEFORE TAXATION	6	567,636	491,765
Tax on profit	8	(113,103)	(98,632)
PROFIT FOR THE FINANCIAL YEAR		454,533	393,133
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		454,533	393,133

The notes on pages 12 to 25 form part of these financial statements

Balance Sheet
31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	11	4,469,718	4,822,591
CURRENT ASSETS			
Debtors	12	376,574	443,391
Cash at bank		1,213,365	682,278
		1,589,939	1,125,669
CREDITORS			
Amounts falling due within one year	13	(1,358,928)	(929,624)
NET CURRENT ASSETS		231,011	196,045
TOTAL ASSETS LESS CURRENT LIABILITIES		4,700,729	5,018,636
CREDITORS			
Amounts falling due after more than one year	14	(3,382,066)	(4,150,400)
PROVISIONS FOR LIABILITIES	18	(428,062)	(432,168)
NET ASSETS		890,601	436,068
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Retained earnings	20	890,501	435,968
SHAREHOLDERS' FUNDS		890,601	436,068

The financial statements on pages 9 to 25 were approved by the Board of Directors on 13/9/2019 and were signed on its behalf by:

Director R. Kraemer

The notes on pages 12 to 25 form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	100	642,835	642,935
Changes in equity			
Profit for the year	-	393,133	393,133
Total comprehensive income	-	393,133	393,133
Dividends	-	(600,000)	(600,000)
Balance at 31 December 2017	100	435,968	436,068
Changes in equity			
Profit for the year	-	454,533	454,533
Total comprehensive income	-	454,533	454,533
Balance at 31 December 2018	100	890,501	890,601

The notes on pages 12 to 25 form part of these financial statements

1. STATUTORY INFORMATION

Equitix Kessingland Limited is a private company, limited by shares. It is domiciled and incorporated in the UK and registered in England & Wales.

The company's registered number and office address can be found on the company information page.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through profit and loss.

The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

The company has taken advantage of the following disclosure exemptions, where applicable, in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework".

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of :
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 118(e) of IAS 38 Intangible Assets;
    - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
    - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statements of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

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2. ACCOUNTING POLICIES - continued

New standards, amendments and IFRIC interpretations
IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 31 December 2018, albeit are not deemed to have a material impact on the company. In addition, there are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018 which have had a material impact on the company.

Turnover
Turnover, which is stated net of value added tax, represents amounts received or receivable in relation to the company's principal activities in the United Kingdom.

Revenue from the supply of electricity and associated benefits represents the value of electricity generated under contracts to the extent that there is a right to consideration and is measured and recorded at the fair value of the consideration due.

The company recognises revenue when performance obligations have been satisfied which is when electricity has been generated and transferred to the customer along with the associated benefits and the customer subsequently has control of these.

The directors consider that there is only one class of business and hence segmental information by class is not provided. The total turnover of the company for the financial year has been derived from its principal activity wholly undertaken in the UK.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - Straight line over 20 years

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2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECLs) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk, and takes into account any collateral the Company holds that would mitigate such losses.

Details of how the company has considered the impairment requirements of IFRS 9 and details of its approach to providing for ECLs can be found in note 16.

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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2. ACCOUNTING POLICIES - continued

Equity instruments

As equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit and loss" or "other financial liabilities".

Financial liabilities at fair value through profit and loss

Financial assets and liabilities at fair value through profit or loss are held for trading. A financial asset or liability is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading. Assets and liabilities in this category are classified as current assets if they are expected to be settled within 12 months; otherwise, they are classified as non-current.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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2. **ACCOUNTING POLICIES - continued**

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

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.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Going concern
The financial statements adopt the going concern basis on the grounds that the directors believe the company has adequate resources to continue in operational existence for the foreseeable future.

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3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2 above, the directors are required to continually evaluate judgements, estimates and assumptions based on historical experience and other factors that are considered to be relevant.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below.

Impairment of tangible fixed assets

Determining whether tangible fixed assets are impaired requires an estimation of the value in use of the related assets. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the asset and the pre-tax discount rate in order to calculate present value. Forecast wind volumes are based on wind studies carried out at the commencement of each project, adjusted for experience as necessary. Electricity prices are determined with reference to externally sourced forward price curves, on contracted rates as appropriate. Forecasts cover the expected life of each project. There is no evidence of impairment.

Estimation of tangible fixed asset useful lives

The useful life used to depreciate tangible fixed assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefits will be derived from the asset. There is no evidence of any changes to the asset useful lives.

4. OTHER OPERATING INCOME

	2018	2017
	£	£
Sundry receipts	121,402	-

The income relates to a lost availability warranty held with the turbine manufacturer.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank loan interest	190,580	206,688
Interest payable	361	-
	190,941	206,688

6. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	2018	2017
	£	£
Other operating leases	49,757	50,471
Depreciation - owned assets	352,873	352,872
Foreign exchange differences	979	(4,113)

7. AUDITORS' REMUNERATION

	2018	2017
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	2,775	2,853

Auditors' remuneration is disclosed above. Fees payable to the company's auditors for non-audit services to the company are not required to be disclosed because these are disclosed in the consolidated financial statements of Thrive Renewables plc.

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8. TAXATION

Analysis of tax expense

	2018	2017
	£	£
Current tax	117,209	92,227
Deferred tax	(4,106)	6,405
Total tax expense in statement of comprehensive income	113,103	98,632

Factors affecting the tax expense

The tax assessed for the year is higher (2017 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Profit before income tax	567,636	491,765
Profit multiplied by the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	107,851	95,648
Effects of:		
Expenses not deductible for tax purposes	4,769	4,830
Effects of changes in tax rate	483	(846)
Total tax expense in statement of comprehensive income	113,103	98,632

9. DIVIDENDS

	2018	2017
	£	£
Dividend paid of £Nil per share (2017: £6,000 per share)		600,000

The payment of the dividend has no tax consequences for the company.

10. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees in either year. The remuneration of the directors was paid by and is dealt with in the financial statements of Thrive Renewables plc. It is not practicable to allocate their remuneration between their services as directors of Thrive Renewables plc and their services as directors of other companies within the Thrive Renewables plc group. The directors are considered to be the key management.

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11. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 January 2018 and 31 December 2018	7,057,451
DEPRECIATION	
At 1 January 2018	2,234,860
Charge for year	352,873
At 31 December 2018	2,587,733
NET BOOK VALUE	
At 31 December 2018	4,469,718
At 31 December 2017	4,822,591

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	227,944	185,645
Owed by group undertakings	-	104,560
Prepayments and accrued income	148,630	153,186
	376,574	443,391

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts (see note 15)	389,239	372,402
Trade creditors	13,239	8,405
Amounts owed to group undertakings	384,357	-
Corporation Tax	117,209	92,227
Social security and other taxes	33,507	28,922
Group relief creditor	371,316	371,316
Accruals and deferred income	50,061	56,352
	1,358,928	929,624

The amounts owed to group undertakings are unsecured and interest free.

continued...

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

	2018	2017
	£	£
Bank loans (see note 15)	3,382,066	3,771,305
Amounts owed to group undertakings	-	379,095
	3,382,066	4,150,400

The amounts owed to group undertakings are unsecured and interest free.

15. FINANCIAL LIABILITIES - BORROWINGS

	2018	2017
	£	£
Current:		
Bank loans	389,239	372,402
Non-current:		
Bank loans	3,382,066	3,771,305

Terms and debt repayment schedule

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Bank loans	389,239	406,836	1,375,230	1,600,000	3,771,305

Bank loans comprise £3,771,304 (2017: £4,143,707) held with Triodos Bank NV, of which £1,221,304 bears interest at a fixed rate of 4.43%, £950,000 bears interest at a fixed rate of 4.88% and £1,600,000 bears interest at a fixed rate of 5.07% for the term of the loans. All bank loans are secured by way of a fixed charge over the company's assets.

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	33,722	33,722
Between one and five years	134,890	134,890
In more than five years	472,114	505,387
	640,726	673,999

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16. **LEASING AGREEMENTS - continued**

The amounts above represent the minimum future lease payments. There may be additional amounts payable based on revenue but these amounts are contingent on future performance.

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17. **FINANCIAL INSTRUMENTS**

Fair value of financial instruments

All financial instruments are initially held at fair value net of transaction costs and related fees and subsequently held at amortised cost other than derivatives which are held at fair value. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximates to their fair values. Where the financial instruments are of short maturity, the carrying value is equal to their fair value.

IFRS 9

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The company was required to revise its impairment methodology under IFRS 9 for each of the classes of financial assets, including debtors listed in note 11. There has been no change to the measurement categories of financial instruments as a result of adopting IFRS 9, and no financial assets have been de-recognised in the period.

The impact of the change in impairment methodology on the company's retained earnings and equity is deemed to be immaterial, and therefore prior year comparatives have not been adjusted/restated.

Assessment on Expected Credit Loss on financial assets:

The Company's financial assets are held in a business model whose purpose is to collect contractual cash flows and consist solely of principle and interest.

The Company's financial assets are subject to consideration in respect of ECLs.

The Company keeps this position under regular review, using available reasonable and supportive forward looking information including:

- monitoring the continued timely collection of receivables;
- changes in counterparty credit ratings;
- any actual or expected changes in the industry or economic conditions that could cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower; and
- significant changes in the value or nature of collateral supporting the obligation, or the quality of any third party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery. The Company establishes a provision for doubtful debts if they are more than 90 days past due. The Company continues to engage in enforcement activity until it is determined that the debt is uncollectible, at which point the outstanding amount is written off in full. At 31 December 2018 no amounts are past due and no provision for impairment has been made (2017 Nil).

continued...

Given the nature of the financial assets in place the ECL applied to each is deemed to be minimal and therefore the identified impairment loss immaterial.

18. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	428,062	432,168

	Deferred tax
	£
Balance at 1 January 2018	432,168
Credit to Statement of Comprehensive Income during year	(4,106)
Balance at 31 December 2018	428,062

Deferred tax relates to accelerated capital allowances.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
100	Ordinary	£1	100	100

20. RESERVES

	Retained earnings
	£
At 1 January 2018	435,968
Profit for the year	454,533
At 31 December 2018	890,501

continued...

20. **RESERVES - continued**

	Retained earnings £
At 1 January 2017	642,835
Profit for the year	393,133
Dividends	(600,000)
At 31 December 2017	435,968

The retained earnings represents the accumulated profits, losses and distributions of the company.

21. **ULTIMATE PARENT COMPANY**

Thrive Renewables plc was regarded by the directors during the year as being the company's immediate and ultimate parent undertaking and ultimate controlling party, a company incorporated in England and Wales, and was the smallest and largest group of undertakings to consolidate these financial statements.

Copies of the consolidated financial statements of Thrive Renewables plc can be obtained from the Company Secretary at Deanery Road, Bristol, BS1 5AS.

In February 2019 Thrive Renewables plc sold 100% of the shares in Equitix Kessingland Limited (formerly Thrive Renewables (Kessingland) Limited). As from this date, Equitix Giraffe Finco Limited became the company's immediate and ultimate parent undertaking and ultimate controlling party.

22. **RELATED PARTY DISCLOSURES**

As a wholly-owned subsidiary during the year, of Thrive Renewables plc, the company has taken advantage under Financial Reporting Standard 101 of the exemption from the requirement to disclose related party transactions within the group.

23. **EVENTS AFTER THE REPORTING PERIOD**

In February 2019 Thrive Renewables plc sold 100% of the shares in Equitix Kessingland Limited (formerly Thrive Renewables (Kessingland) Limited). The company passed a special resolution on 13 February 2019 changing its name from Thrive Renewables (Kessingland) Limited to Equitix Kessingland Limited.