Company Registration No. 06330517 (England and Wales)

EQUITIX KESSINGLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

UHY Hacker Young
Chartered Accountants

EQUITIX KESSINGLAND LIMITED

COMPANY INFORMATION

Directors	A Bhuwania	(Appointed 13 February 2019)
	R Kraemer	(Appointed 9 April 2019)
	J Bayston Jones	(Appointed 16 December 2019)
Company number	06330517	
Registered office	3rd Floor, South Building 200 Aldersgate Street London EC1A 4HD	
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW	

CONTENTS

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of the operation of an on-shore wind farm in Kessingland, Norfolk.

The company changed its name from Thrive Renewables (Kessingland) Limited to Equitix Kessingland Limited on 14 February 2019.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Bhuwania	(Appointed 13 February 2019)
R Kraemer	(Appointed 9 April 2019)
J Bayston Jones	(Appointed 16 December 2019)
M Clayton	(Resigned 13 February 2019)
K Cross	(Resigned 13 February 2019)
M Paplaczyk	(Resigned 13 February 2019)
J Smith	(Appointed 13 February 2019 and resigned 16 December 2019)

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

Results and dividends

The profit for the financial year amounted to £367,983 (2018: £454,533). 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.

On 13 February 2019 Thrive Renewables plc sold 100% of the shares in the company to Equitix Giraffe Finco Limited.

Ordinary dividends were paid amounting to £1,182,047 (2018: £Nil). The directors do not recommend payment of a final dividend.

Auditor

UHY Hacker Young were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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 balance sheet date, the directors have concluded that no provision for doubtful debts is necessary and believe that there is no further credit risk.

Going Concern

On the 23rd of March 2020, the Government in the UK announced a national lockdown in response to the COVID-19 pandemic. In the annual review of the Company's going concern, the Directors have considered the long-term impact of the COVID-19 pandemic. The Company has entered into long-term contracts with both the client and supplier, and after a careful review of these contracts the Directors are confident that the Company can continue to operate as normal for the next 12 months. The Directors have committed to carrying out regular review of the Company's cash flows to monitor the ongoing situation.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

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R Kraemer

Director

Date: 16/12/2020

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EQUITIX KESSINGLAND LIMITED

Opinion

We have audited the financial statements of Equitix Kessingland Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EQUITIX KESSINGLAND LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

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

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

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

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

Other matters
The financial statements for the year ended 31 December 2018 were audited by another auditor, who gave an unqualified opinion on 13 September 2019.

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EQUITIX KESSINGLAND LIMITED

Use of our report

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

Marc Waterman (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

17/12/2020

Chartered Accountants
Statutory Auditor

EQUITIX KESSINGLAND LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	1,398,088	1,277,359
Cost of sales		(595,579)	(534,279)
Gross profit		802,509	743,080
Administrative expenses		(184,847)	(107,835)
Other operating income		31,170	121,402
Operating profit	4	648,832	756,647
Interest receivable and similar income		2,130	1,930
Interest payable and similar expenses	6	(234,083)	(190,941)
Profit before taxation		416,879	567,636
Tax on profit	7	(48,896)	(113,103)
Profit for the financial year		367,983	454,533

The profit and loss account has been prepared on the basis that all operations are continuing operations.

EQUITIX KESSINGLAND LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	9		4,116,846		4,469,718
Current assets					
Debtors	10	516,633		376,574	
Cash at bank and in hand		373,709		1,213,365	
		890,342		1,589,939	
Creditors: amounts falling due within one year	11	(1,492,502)		(1,358,928)	
Net current (liabilities)/assets			(602,160)		231,011
Total assets less current liabilities			3,514,686		4,700,729
Creditors: amounts falling due after more than one year	12		(2,975,230)		(3,382,066)
Provisions for liabilities	14		(462,919)		(428,062)
Net assets			76,537		890,601
Capital and reserves					
Called up share capital	15		100		100
Profit and loss reserves	16		76,437		890,501
Total equity			76,537		890,601

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

The financial statements were approved by the board of directors and authorised for issue on ..16/12/2020...... and are signed on its behalf by:

....

R Kraemer
Director

Company Registration No. 06330517

EQUITIX KESSINGLAND LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2018		100	435,968	436,068
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	454,533	454,533
Balance at 31 December 2018		100	890,501	890,601
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	367,983	367,983
Dividends	8	-	(1,182,047)	(1,182,047)
Balance at 31 December 2019		100	76,437	76,537

1 Accounting policies

Company information

Equitix Kessingland Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, EC1A 4HD.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2019 are the first financial statements of Equitix Kessingland Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition from IFRS to FRS 102 was 1 January 2018. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

On the 23rd of March 2020, the Government in the UK announced a national lockdown in response to the COVID-19 pandemic. In the annual review of the Company's going concern, the Directors have considered the long-term impact of the COVID-19 pandemic. The Company has entered into long-term contracts with both the client and supplier, and after a careful review of these contracts the Directors are confident that the Company can continue to operate as normal for the next 12 months. The Directors have committed to carrying out regular review of the Company's cash flows to monitor the ongoing situation.

1 Accounting policies **(Continued)**

1.3 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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Straight line over 20 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

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.

3 Other operating income

	2019	2018
	£	£
Sundry receipts	31,170	121,402

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

4 Operating profit

	2019	2018
Operating profit for the year is stated after charging:	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	979
Fees payable to the company's auditor for the audit of the company's financial statements	9,074	5,038
Depreciation of owned tangible fixed assets	352,872	352,873
Operating lease charges	49,655	49,757

5 Directors' remuneration

No directors are employed directly by the company. A recharge is made for directors' services. The company had no employees during the year (2018: none).

6 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	173,744	190,580
Interest payable to group undertakings	60,700	-
Other interest on financial liabilities	(361)	361
	234,083	190,941

7 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	14,039	117,209

7 Taxation (Continued)

	2019	2018
	£	£
Deferred tax		
Origination and reversal of timing differences	34,857	(4,106)
Total tax charge	48,896	113,103

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	416,879	567,636
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	79,207	107,851
Tax effect of expenses that are not deductible in determining taxable profit	2,653	4,769
Effect of change in corporation tax rate	-	483
Group relief	(87,794)	-
Adjustment to opening deferred tax rate	50,360	-
Fixed asset timing differences	4,470	-
Taxation charge for the year	48,896	113,103

8 Dividends

	2019	2018
	£	£
Ordinary dividends paid	1,182,047	-

9 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2019 and 31 December 2019	7,057,451
Depreciation and impairment	
At 1 January 2019	2,587,733
Depreciation charged in the year	352,872
At 31 December 2019	2,940,605
Carrying amount	
At 31 December 2019	4,116,846
At 31 December 2018	4,469,718

10 Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	304,516	227,944
Amounts owed by group undertakings	61,403	-
Prepayments and accrued income	150,714	148,630
	516,633	376,574

11 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	13	406,836	389,239
Trade creditors		146,694	13,239
Amounts owed to group undertakings		773,927	384,357
Corporation tax		11,724	117,209
Other taxation and social security		63,844	33,507
Other creditors		17,747	371,316
Accruals and deferred income		71,730	50,061
		1,492,502	1,358,928

The amounts owed to group undertakings are unsecured and includes a shareholder loan which bears an interest rate of 9% per annum.

12 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	13	2,975,230	3,382,066

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	2,355,673	1,600,000

13 Loans and overdrafts

	2019 £	2018 £
Bank loans	3,382,066	3,771,305
Payable within one year	406,836	389,239
Payable after one year	2,975,230	3,382,066

13 Loans and overdrafts (Continued)

Bank loans comprise £3,382,066 (2018: £3,771,305) held with Triodos Bank NV, of which £832,066 (2018: £1,221,305) 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.

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances:	Liabilities 2019 £	Liabilities 2018 £
Accelerated capital allowances	462,919	428,062

Movements in the year:	2019 £
Liability at 1 January 2019	428,062
Charge to profit or loss	34,857
Liability at 31 December 2019	462,919

15 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

16 Profit and loss reserves

	Retained earnings	
	2019	2018
	£	£
At the beginning of the year	890,501	435,968
Profit for the year	367,983	454,533
Dividends declared and paid in the year	(1,182,047)	-
At the end of the year	76,437	890,501

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

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	33,722	33,722
Between two and five years	134,890	134,890
In over five years	438,392	472,114
	607,004	640,726

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.

18 Ultimate controlling party

The company's immediate parent company is Equitix Giraffe Finco Limited, which is registered in England and Wales.

The company's intermediate parent company is Equitix Giraffe Holdco Limited, which is registered in England and Wales. This is the largest and smallest member of the group preparing consolidated financial statements which can be obtained from Companies House.

The company's ultimate parent and controlling entity is Equitix Fund V LP, a limited partnership registered in England and Wales.