

REGISTERED NUMBER: 10473898 (England and Wales)

Annual Report and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Vortex Solar UK3 Limited

Vortex Solar UK3 Limited
Contents of the Financial Statements
for the Year Ended 31 December 2020

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Statement of Directors' responsibilities in respect of the Directors' Report and Financial Statements	6
Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Vortex Solar UK3 Limited

Company Information

for the Year Ended 31 December 2020

DIRECTORS:

H B Ismail (appointed 17 September 2020)
V R Davys (appointed 24 February 2021)
A A A Nordin (appointed 24 February 2021)
N A Paimin (appointed 24 February 2021)

REGISTERED OFFICE:

Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

REGISTERED NUMBER:

10473898 (England and Wales)

Vortex Solar UK3 Limited
Strategic Report
for the Year Ended 31 December 2020

The Directors present their Strategic Report with the financial statements of the Company for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of holding an investment in a subsidiary company and providing financing for the acquisition of a 365 MWp UK Photovoltaic portfolio of 24 plants.

BUSINESS STRATEGY

The Company has a listed debt in the Official List of the International Stock Exchange (TISE). On 12 September 2017 TISE provided a confirmation of admission to the exchange for £124,672,140 of loan notes and an unlimited number PIK interest note. The loan note instrument has an execution date of 13 March 2017. The amount was reduced on 23 July 2017 to £102,672,140 and reduced by a further £3,653,228 to £99,018,912 on 31 December 2020.

The Company provides group finance to subsidiary companies through intercompany loans.

The Directors verified that the access to the TISE provides the Company a responsive and innovative listing facility to raise capital from investors based around the globe.

CURRENT YEAR PERFORMANCE

During the year under review the Company made a profit of £3,177,418 (2019: loss of £8,420).

PRINCIPAL RISKS AND UNCERTAINTIES

Brexit and its related negotiations have created some risks into the UK Market and increased uncertainties for businesses in the UK. However, the Directors believe the risks coming from Brexit will not affect the Company. Specifically, the Company has financing subject to an effective interest rate of 8.16% across 10.5 years of the loan notes term.

RISK MANAGEMENT

Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk. The Company is not exposed to significant foreign currency risk as the majority of all creditors and debtors are denominated in pounds sterling which is the functional currency in which the Company operates. The Company has limited exposure to interest rate risk. The Company is fully funded by the parent Company and has no floating rate interest bearing loans or borrowings at 31 December 2020.

Credit risk

The Company's policies are aimed at minimising losses as a result of a counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the Company are considered by management to be of appropriate credit rating. At each balance sheet date, the Company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date is the carrying value of the credit balances if any.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its risk of a shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and liabilities. Cash flow projections are undertaken at the operating company (SPV) level and a risk of there being a shortage in funds is indirectly influenced to the cashflow position of the SPVs.

During 2020, the economic activity across the Globe slowed down due to the worldwide outbreak of the coronavirus ("COVID-19"), which was declared as a pandemic by the World Health Organization on 11 March 2020. The impact of the COVID-19 outbreak on the financial performance of the Company's financial position and performance will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's performance may be adversely affected.

Vortex Solar UK3 Limited
Strategic Report – continued
for the Year Ended 31 December 2020

The management has considered the possible impact of the COVID-19 outbreak on the Company and has concluded that the only significant risk resides with the market power prices received under the portfolio’s PPAs in case of a long-term downward trend. However, substantial mitigations exist as listed below:

- all assets benefit from a floor price mechanism under their PPAs, limiting the depth of a potential decrease of power prices;
- the majority of the portfolio’s revenues is generated by ROC subsidies which are independent from market movements;
- the portfolio has fixed the offtake price for Winter 2020/21 at an average of £46/MWh as well as Summer 2021 and Winter 2021/22 at averages of £48/MWh and £53/MWh respectively.

As a result, the management has concluded that the net impact of COVID-19 does not pose a threat to the long-term operations of the Company and its portfolio. Management believes that the Company will continue to operate as a going concern for the foreseeable future.

KEY PERFORMANCE INDICATORS

The results for the year ended 31 December 2020 for the Company are shown in these financial statements. The Company doesn’t make any turnover as it is a holding company. At 31 December 2020, the Company had investments of £47,327,860 (2019: £47,327,860) and net assets of £50,461,553 (2019: £47,284,135).

ON BEHALF OF THE BOARD:



.....
Mr V R Davys - Director

Date: 23 September 2021
.....

Vortex Solar UK3 Limited
Directors' Report
for the Year Ended 31 December 2020

The Directors present their Directors' Report with the financial statements of the Company for the year ended 31 December 2020.

DIRECTORS

Directors holding office during the year are as follows:

Mr C G Dandanell (resigned 17 September 2020)
Mr B Abdel-Wahab (resigned 17 September 2020)
S A B M Isa (appointed 8 October 2020 and resigned 24 February 2021)
H B Ismail (appointed 17 September 2020)
V R Davys (appointed 24 February 2021)
A A A Nordin (appointed 24 February 2021)
N A Paimin (appointed 24 February 2021)

GOING CONCERN

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The subsidiary companies consist of holding companies and operational solar parks. The operating solar parks generate cash which is then passed through intermediate holding companies in the Vortex Solar UK4 Limited group of companies (the 'Group') so that each fellow subsidiary is able to settle their liabilities as they fall due. The Group is funded by way of a £99m shareholder loan which is repayable by Vortex Solar UK3 Limited and an external bank loan which is repayable by Vortex Solar UK Limited of which a liability of £283m remains as at 31 December 2020. The shareholder loan is repayable as a bullet payment in September 2027 and the external bank loan will be repaid in six-monthly instalments with the final repayment date in June 2027. The annual interest and principal repayment obligation is approximately £22m for the Group. The Group has a cash balance of £18m at 31 December 2020 and £18m at 23 August 2021 (unaudited). The base case cashflows prepared by the Directors show that for the next 12 months, the group will generate £31m. In a severe but plausible downside scenario, these forecasts show that the group will generate approximately £27m in the next 12 months. The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impact of Covid-19, the Company will have sufficient funds, through its subsidiary companies, to meet its liabilities as they fall due for that period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

RESULTS FOR THE YEAR

During the year under review the Company made a profit of £3,177,418 (2019: loss of £8,420). There were no dividends paid in the year, or proposed, or paid after the year-end.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year.

Vortex Solar UK3 Limited
Directors' Report
for the Year Ended 31 December 2020

FUTURE DEVELOPMENTS

The Directors believe the Company is well placed to mitigate any future developments as they may arise.

ON BEHALF OF THE BOARD:



.....
Mr V R Davys – Director

Date: 23 September 2021
.....

REGISTERED OFFICE ADDRESS: Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES

Vortex Solar UK3 Limited

Statement of Directors' responsibilities in respect of the Directors' report and Financial Statements for the Year Ended 31 December 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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

Vortex Solar UK3 Limited
Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2020

	Notes	Year ended 31 December 2020	Year ended 31 December 2019
		£	£
CONTINUING OPERATIONS			
Turnover		-	-
Administrative expenses		(7,578)	(8,420)
OPERATING LOSS		(7,578)	(8,420)
Financial income	4	8,896,134	8,709,298
Financial expenses	4	(5,711,138)	(8,709,298)
Net financing expenses		3,184,996	-
PROFIT/(LOSS) BEFORE TAXATION	5	3,177,418	(8,420)
Tax on profit/(loss)	6	-	-
PROFIT/(LOSS) FOR THE YEAR		3,177,418	(8,420)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		3,177,418	(8,420)

The accompanying notes form an integral part of these financial statements

Vortex Solar UK3 Limited
Statement of Financial Position
As at 31 December 2020

	Notes	31 December 2020 £	31 December 2019 £
FIXED ASSETS			
Investments	7	47,327,860	47,327,860
CURRENT ASSETS			
Debtors			
- due within one year	8	8,899,252	6,457,656
- due after one year	8	102,672,141	102,672,140
Cash at bank and in hand		-	-
		111,571,393	109,129,796
CREDITORS: Amounts falling due with one year	11	(9,418,788)	(6,501,381)
NET CURRENT ASSETS		102,152,605	102,628,415
TOTAL ASSETS LESS CURRENT LIABILITIES		149,480,465	149,956,275
CREDITORS: Amounts falling after more than one year	12	(99,018,912)	(102,672,140)
NET ASSETS		50,461,553	47,284,135
CAPITAL AND RESERVES			
Called up share capital	9	1,000,000	1,000,000
Share premium	9	33,112,860	46,327,860
Capital redemption reserve	9	13,215,000	
Profit and loss account	10	3,133,693	(43,725)
SHAREHOLDER'S FUNDS		50,461,553	47,284,135

For the financial year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements were approved by the Board of Directors on 23 September 2021 and were signed on its behalf by:



Mr V R Davys – Director

REGISTERED NUMBER: 10473898

The accompanying notes form an integral part of these financial statements

Vortex Solar UK3 Limited
Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Share premium	Capital redemption reserve	Total equity
	£	£	£		£
Balance at 1 January 2019	1,000,000	(35,305)	46,327,860	-	47,292,555
Changes in equity	-	-	-	-	-
Total comprehensive income	-	(8,420)	-	-	(8,420)
Balance at 31 December 2019	1,000,000	(43,725)	46,327,860	-	47,284,135
Changes in equity	-	-	(13,215,000)	13,215,000	-
Total comprehensive income	-	3,177,418	-	-	3,177,418
Balance at 31 December 2020	1,000,000	3,133,693	33,112,860	13,215,000	50,461,553

The accompanying notes form an integral part of these financial statement

Vortex Solar UK3 Limited
Notes to the Financial Statements
for the Year Ended 31 December 2020

1. GENERAL INFORMATION

Vortex Solar UK3 Limited (Registration no. 10473898) is a private limited company incorporated and domiciled in England. The address of the Company's registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES.

These financial statements are presented in sterling pounds because that is the currency of the primary economic environment in which the Company operates.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs") and IFRIC interpretations and with those appropriate parts of the Companies Act 2006. The accounting policies set out below have, unless otherwise stated, been applied consistently in all periods presented in these financial statements. The financial statements have been prepared under historical cost convention.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The subsidiary companies consist of holding companies and operational solar parks. The operating solar parks generate cash which is then passed through intermediate holding companies in the Vortex Solar UK4 Limited group of companies (the 'Group') so that each fellow subsidiary is able to settle their liabilities as they fall due. The Group is funded by way of a £99m shareholder loan which is repayable by Vortex Solar UK3 Limited and an external bank loan which is repayable by Vortex Solar UK Limited of which a liability of £283m remains as at 31 December 2020. The shareholder loan is repayable as a bullet payment in September 2027 and the external bank loan will be repaid in six-monthly instalments with the final repayment date in June 2027. The annual interest and principal repayment obligation is approximately £22m for the Group. The Group has a cash balance of £18m at 31 December 2020 and £18m at 23 August 2021 (unaudited). The base case cashflows prepared by the Directors show that for the next 12 months, the group will generate £31m. In a severe but plausible downside scenario, these forecasts show that the group will generate approximately £27m in the next 12 months. The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impact of Covid-19, the Company will have sufficient funds, through its subsidiary companies, to meet its liabilities as they fall due for that period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Standards issued but not yet effective

The following Adopted IFRSs have been issued but have not been applied by the Company in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 Interest Rate Benchmark Reform – Phase 2; Effective date 01 January 2021
- Amendments to IAS 37 (Onerous Contract); Effective date 01 January 2022
- Annual Improvements to IFRS Standards 2018-2020; Effective date 01 January 2022
- Amendments to IAS 16 (Property, Plant and Equipment); Effective date 01 January 2022
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Effective date 01 January 2023

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Summary of significant accounting policies

Change in accounting policy

The Company has adopted the following IFRS's in these financial statements, which were adopted from 1 January 2020:

- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendment to IFRS 3 Business Combinations;
- Amendments to IAS 1 and IAS 8;
- Amendments to IFRS 7, IFRS 9 and IAS 39;

The Directors have concluded that there is no material impact on the financial statements on the adoption of these amendments.

Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash at bank and in hand unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Finance Instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. **ACCOUNTING POLICIES - continued**

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

(iii) Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial item the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

(iv) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and debt investments measured at FVOCI.

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Intercompany Receivables

IFRS 9 'Financial Instruments' sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard includes the requirement that impairment models consider the expected credit losses on an entity's financial assets held at amortised cost and commitments to extend credit. As a result of this forward-looking model – which removes the requirement for a "trigger event" to have occurred – earlier recognition of credit losses may occur.

Intercompany receivables are recognised initially at fair value and measured subsequently at amortised cost less provision for impairment. Impairment is assessed based on the cash generating unit in that supports the receivable balance. This groups together receivables with similar credit risk characteristics and these are assessed collectively for impairment based on expected credit loss.

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Taxation

Corporation tax is calculated at 19% (2019: 19%) of the estimated assessable profit for the year. No corporation tax arises on the loss during the year. Deferred tax has not been recognized on the tax loss carried forward as the timing of future taxable profits against which these can be recovered is uncertain.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires Directors to make judgements, estimate and assumptions that affect the reported amounts of expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affect in future periods. There are no critical accounting policies and estimates in these financial statements.

3. EMPLOYEES AND DIRECTORS

The Company has no employees, hence there were no staff costs for the year ended 31 December 2020 (2019: £Nil).

Directors' Remuneration:

In 2020 an amount of £21,451 (2019: £28,307) has been allocated to the Directors for services incurred in relation to this Company and its direct and indirect subsidiaries.

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

4. NET FINANCING (EXPENSES)/INCOME

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Intercompany interest receivable	8,896,134	8,709,298
Intercompany interest payable	(5,711,138)	(8,709,298)
Net financing (expenses)/income	<u>3,184,996</u>	<u>-</u>

5. PROFIT/(LOSS) BEFORE INCOME TAX

The loss before income tax is stated after charging:

	Year Ended 31 December 2020 £	Year Ended 31 December 2019 £
Auditor's remuneration	-	7,872

6. INCOME TAX

Tax charges in income statement

	Year Ended 31 December 2020 £	Year Ended 31 December 2019 £
Current tax at 19% (2019: 19%)	£	£
Current year tax expense	-	-
Over/(under) provided in prior years	-	-
Current tax (expense) / income	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. INCOME TAX - continued

Deferred tax

	Year Ended 31 December 2020	Year Ended 31 December 2019
	£	£
Recognition of net operating losses	-	-
Origination and reversal of temporary differences	-	-
Changes in tax rates	-	-
Recognition of previously unrecognized losses brought forward	-	-
	<hr/>	<hr/>
Deferred tax (expense) / income	-	-
	<hr/>	<hr/>
Total tax (charges)/credit in income statement	-	-

Reconciliation of the effective tax rate

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Profit/(Loss) for the year	3,177,418	(8,420)
Total tax income	-	-
	<hr/>	<hr/>
Profit/(Loss) before taxation	3,177,418	(8,420)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2019: 19%)	603,710	(1,600)
Effects of group relief	(651,744)	1,600
Unrecognised tax losses utilised	(963)	-
Tax losses not recognised	48,997	-
	<hr/>	<hr/>
Total tax income	-	-
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Following this, in the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (from the current 19% rate).

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. INVESTMENTS

	31 December 2020 £	31 December 2019 £
Investment in subsidiary entities	47,327,860	47,327,860
	47,327,860	47,327,860

The principal activity of the subsidiary is holding investments in subsidiary companies and providing financing to the group for the development and construction of respective solar plants. The investment represents 1,000,000 ordinary shares in the subsidiary.

Subsidiary	Number of shares	Nature of Business	31 December 2020 £	31 December 2019 £
Vortex Solar UK2 Limited	1,000,000	Holding Company	47,327,860	47,327,860

The Company has indirect investments in the following companies:

Vortex Solar UK Limited, Terraform UK2 Intermediate Holdings Limited, Terraform UK3 Intermediate Holdings Limited, SunE Green Holdco5 Limited, SunE Green Holdco4 Limited, SunE Green Holdco3 Limited, SunE Green Holdco2 Limited, SunE Green Holdco7 Limited, SunE Green Holdco9 Limited, SunE Green Holdco13 Limited, SunE Green Holdco6 Limited, MSP Fairwind Limited, Sunsave 14 (Fenton) Limited, Boyton Solar Park Limited, Sunsave 6 (Manston) Limited, KS SPV 24 Limited, Sunsave 10 (Fareham) Limited, Sunsave 15 (Westwood) Limited, Sunsave 20 (Knowlton) Limited, SunE Project 1 Limited, AEE Renewables UK 31 Limited, Daisy No 1 Limited, SunE Green Energy Limited, Brynteg Solar Limited, SE Bury Lane Solar Limited, Sunsave 43 (Epwell) Limited, SunE Little Neath Solar Limited, SunE Burthy Farm Solar Limited, SunE Prestop Park Limited, Cambridge Solar Power Limited, SunE Hill Farm Solar Limited, SunE Sundorne Grove Solar Limited, Sunsave 31 (Horam) Limited, Sunsave 17 (Castle Combe) Limited, Sunsave 11 (Wrockwardine) Limited.

The Country of incorporation for all direct and indirect subsidiaries is the UK.

The Proportion of voting rights and shares for all direct and indirect subsidiaries is 100%.

The Registered Address for all direct and indirect subsidiaries is Eversheds House, 70 Great Bridgewater Street, Manchester M1 5ES.

The Directors have undertaken an assessment of each asset and have not identified any indicators of possible impairment.

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. TRADE AND OTHER DEBTORS

	31 December 2020	31 December 2019
	£	£
<i>Current:</i>		
Intercompany interest	8,896,952	6,455,326
Prepayments	2,330	2,330
<i>Non-current:</i>		
Intercompany receivables	102,672,141	102,672,140
	111,571,393	109,129,796

The loan bears interest at an effective rate of 8.16% and is fully repayable in 10.5 years from the execution date of 13 March 2017. At 31 December 2020, there is an amount of £8,896,952 (2019: £6,455,326) relating to accrued interest on the loan which rolls up into the principal balance.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31 December 2020	31 December 2019
			£	£
1,000,000	Ordinary	1.00	1,000,000	1,000,000

10. RESERVES

	Profit and loss account £	Total £
At 1 January 2020	(43,725)	(43,725)
Total comprehensive income for the year	3,177,418	3,177,418
At 31 December 2020	3,133,693	3,133,693

11. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2020	31 December 2019
	£	£
<i>Current:</i>		
Intercompany payable	9,418,676	6,493,318
Accruals	112	8,063
	9,418,788	6,501,381

At 31 December 2020, included within the intercompany payable balance is an amount of £9,365,184 (2019: £6,455,325) relating to interest outstanding on the loan (see note 12).

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

12. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31	31
	December	December
	2020	2019
	£	£
Intercompany payable	99,018,912	102,672,140
	99,018,912	102,672,140

The loan bears interest at an effective rate of 8.16% and is repayable in 10.5 years from the execution date of 13 March 2017.

13. FINANCIAL INSTRUMENTS

Fair value category

The Financial assets held by the Company at 31 December 2020 and 31 December 2019 are categorised as loan and receivables and Financial liabilities are categorised as accounts payable and other financial liabilities.

Fair value measurement

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Carrying amount 31 December 2020	Fair value 31 December 2020	Carrying amount 31 December 2019	Fair value 31 December 2019
	£	£	£	£
Financial assets:				
Intercompany receivables	111,569,093	130,962,397	109,127,465	126,843,979
Financial liabilities				
Intercompany payable	108,437,588	125,820,543	109,165,458	126,881,973

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The intercompany payable balance above is not guaranteed.

Please refer to notes 8 and 12 for further information regarding the intercompany balances.

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

14. FINANCIAL RISK MANAGEMENT

The Company's principal financial assets and liabilities comprise interest bearing loans.

The Company has exposure to the following risks from its use of financial instruments:

- i. Market risk, including foreign currency, commodity price, interest rate, inflation rate risks
- ii. Credit risk
- iii. Liquidity risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for assessing and managing risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk. The Company is not exposed to significant foreign currency risk as the majority of all creditors and debtors are denominated in pounds sterling which is the functional currency in which the Company operates.

The Company has limited exposure to interest rate risk. The Company is fully funded by the parent company and has no floating rate interest bearing loans or borrowings at 31 December 2020.

(b) Credit risk

The Company's policies are aimed at minimising losses as a result of a counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the Company are considered by management to be of appropriate credit rating. At each balance sheet date, the Company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date is the carrying value of the debit balances.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its risk of a shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and liabilities.

Year ended 31 December 2020

	On demand £	Within one year £	1 to 5 years £	>5 years £	Total £
Financial Liabilities					
Intercompany payable	-	9,418,676	-	99,018,912	108,437,588

Year ended 31 December 2019

	On demand £	Within one year £	1 to 5 years £	>5 years £	Total £
Financial Liabilities					
Intercompany payable	-	6,493,318	-	102,672,140	109,165,458

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

14. FINANCIAL RISK MANAGEMENT – continued

(d) Capital management

Management considers capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the Company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The Company's financial instruments comprise cash and liquid resources and various items, such as trade debtors and trade creditors that arise directly from its operations. The Company's policy is to finance its operations through group borrowings. It is the Company's policy not to hold financial instruments for speculative purposes.

At 31 December 2020, the Company had amounts due to and from group undertakings. The loan borrowings and loan receivables were with related parties. The fair value of other debtors and trade and other creditors approximated to their book value.

15. EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

16. RELATED PARTY DISCLOSURES

During the year the Company entered into transactions and had amounts outstanding, in the ordinary course of business, with the following related parties:

Year ended 31 December 2020

Due to	Due from	Transaction details	Transactions in the Year Income/ (Expense)	Amounts as at 31 December 2020 (Payable)/ Receivable
Vortex Solar Investments SARL	Vortex Solar UK3 Limited	Included in note 12 are unsecured amounts due which are repayable in 10.5 years from the execution date.	-	(99,018,912)
Vortex Solar Investments SARL	Vortex Solar UK3 Limited	Interest is payable on the loan at an effective rate of 8.16%. Included in note 11 are unsecured amounts due which are repayable in < 1 year.	(5,711,138)	(9,365,184)
Vortex Solar UK3 Limited	Vortex Solar UK2 Limited	Included in note 8 are unsecured amounts due which are receivable in 10.5 years from the execution date.	-	102,672,140
Vortex Solar UK3 Limited	Vortex Solar UK2 Limited	Interest is payable on the loan at an effective rate of 8.16%. Included in note 8 are unsecured amounts due which are receivable in < 1 year.	8,896,134	8,896,952
Vortex Solar UK Limited	Vortex Solar UK3 Limited	Included in note 11 are amounts due which represent payments made by Vortex Solar UK3 Limited on behalf of Vortex Solar UK Limited.	(15,499)	(52,392)
Vortex Solar UK2 Limited	Vortex Solar UK3 Limited	Included in note 11 are amounts due which represent payments made by Vortex Solar UK3 Limited on behalf of Vortex Solar UK2 Limited.	-	(1,100)

Vortex Solar UK3 LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2020**16. RELATED PARTY DISCLOSURES - continued**

Year ended 31 December 2019		Transaction details	Transactions in the Year Income/ (Expense)	Amounts as at 31 December 2019 (Payable)/ Receivable
Due to	Due from			
Vortex Solar Investments SARL	Vortex Solar UK3 Limited	Included in note 12 are unsecured amounts due which are repayable in 10.5 years from the execution date.	-	(102,672,140)
Vortex Solar Investments SARL	Vortex Solar UK3 Limited	Interest is payable on the loan at 8%. Included in note 11 are unsecured amounts due which are repayable in < 1 year.	(8,709,298)	(6,455,325)
Vortex Solar UK3 Limited	Vortex Solar UK2 Limited	Included in note 8 are unsecured amounts due which are receivable in 10.5 years from the execution date.	-	102,672,140
Vortex Solar UK3 Limited	Vortex Solar UK2 Limited	Interest is payable on the loan at 8%. Included in note 8 are unsecured amounts due which are receivable in < 1 year.	8,709,298	6,455,325
Vortex Solar UK Limited	Vortex Solar UK3 Limited	Included in note 11 are amounts due which represent payments made by Vortex Solar UK3 Limited on behalf of Vortex Solar UK Limited.	(15,368)	(36,893)
Vortex Solar UK2 Limited	Vortex Solar UK3 Limited	Included in note 11 are amounts due which represent payments made by Vortex Solar UK3 Limited on behalf of Vortex Solar UK2 Limited.	-	(1,100)

Vortex Solar UK3 Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

17. ULTIMATE CONTROLLING PARTY

At 31 December 2020, the Company's immediate parent company was Vortex Solar UK4 Limited.

Vortex Solar UK4 Limited is the largest entity for which group financial statements at 31 December 2020 are reported, with its registered office and the address from which group financial statements can be obtained at Eversheds House, 70 Great Bridgwater Street, Manchester, M1 5ES.

The Company's ultimate holding company is Tenaga Nasional Berhad (55% Shareholding), Kumpulan Wang Persaraan (Diperbadankan) (45% Shareholding).

Tenaga Nasional Berhad is a listed company on Kuala Lumpur Stock Exchange incorporated under the laws of Malaysia, whose registered office is located at Pejabat Setiausaha Syarikat, Tingkat 2, /bu Pejabat Tenaga Nasional Berhad, No.129, la/an Bangsar, 59200 Kuala Lumpur.

Kumpulan Wang Persaraan (Diperbadankan) is a Malaysian Government Pension Fund incorporated under the laws of Malaysia, whose registered office is located at Level 36 Integra Tower, The Intermark 348, Jalan Tun Razak, 50400 Kuala Lumpur.