

Registered number: 08708744

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

COMPANY INFORMATION

Directors	V Rosati (appointed 11 January 2019) M A Szczepaniak A N Le Gal (resigned 11 January 2019)
Company secretary	Pario Renewables Ltd
Registered number	08708744
Registered office	2 Hunting Gate Hitchin Hertfordshire SG4 0TJ

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Balance sheet	7
Notes to the financial statements	8 - 13

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Directors

The directors who served during the year were:

V Rosati (appointed 11 January 2019)
M A Szczepaniak
A N Le Gal (resigned 11 January 2019)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

Subsequent to the year end the corona virus pandemic has had a significant impact on business outlook on a worldwide basis. The impact of the corona virus pandemic remains unquantifiable at this stage, nevertheless based on cash flow forecasts, along with sensitivity analysis, the directors firmly believe that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. This is a non-adjusting post balance sheet events.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board and signed on its behalf.

Valeria Rosati

V Rosati
Director

Date:

16/09/2020

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

Opinion

We have audited the financial statements of European Investments (Crook Hill) Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 United Kingdom, including the Financial Reporting Council'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.

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN INVESTMENTS (CROOK HILL) LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN INVESTMENTS (CROOK HILL) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Mark Evans (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 21 September 2020

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Interest receivable and similar income		2,391,788	3,640,251
Interest payable and expenses		(2,390,355)	(3,638,842)
Profit before tax		1,433	1,409
Tax on profit		(272)	(268)
Profit for the financial year		1,161	1,141
Other comprehensive income for the year			
Fair value movement on interest rate swap		(315,381)	1,167,502
Other comprehensive income for the year		(315,381)	1,167,502
Total comprehensive income for the year		(314,220)	1,168,643

The notes on pages 8 to 13 form part of these financial statements.

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED
REGISTERED NUMBER: 08708744

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments		26,926,601	26,926,601
		<u>26,926,601</u>	<u>26,926,601</u>
Current assets			
Debtors	31,117,811	34,553,998	
Cash at bank and in hand	3,072,924	3,041,490	
	<u>34,190,735</u>	<u>37,595,488</u>	
Creditors: amounts falling due within one year	(3,374,043)	(3,530,943)	
Net current assets		<u>30,816,692</u>	<u>34,064,545</u>
Total assets less current liabilities		<u>57,743,293</u>	<u>60,991,146</u>
Creditors: amounts falling due after more than one year		(42,468,222)	(45,401,855)
Net assets		<u><u>15,275,071</u></u>	<u><u>15,589,291</u></u>
Capital and reserves			
Called up share capital		19,548,855	19,548,855
Hedging reserve		(4,281,730)	(3,966,349)
Profit and loss account		7,946	6,785
		<u>15,275,071</u>	<u>15,589,291</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Valeria Rosati

V Rosati

Director

Date: 16/09/2020

The notes on pages 8 to 13 form part of these financial statements.

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

European Investment (Crook Hill) Limited is a private company (registered number 08708744) limited by shares and incorporated, domiciled and registered in England and Wales.

The registered office of the company is 2 Hunting Gate, Hitchin, Hertfordshire, SG4 0TJ.

The principal activity of the company is that of a holding company. The subsidiary's principal activity is the operations of a wind farm for the supply of electricity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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 directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its bank loan facility, to meet its liabilities as they fall due for that period. These forecasts assume that the company will continue to have access to finance on similar terms to its current facilities throughout the forecast 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.

2.3 Foreign currency translation

The Company's functional and presentational currency is GBP.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable from the production and sale of electricity which includes wholesale export power and renewable obligation certificates. Turnover excludes value added tax. Turnover from the production and sale of electricity is recognised when the commodity is delivered on the basis of the agreed volumes and rates within the sales contracts. Where the amounts paid in cash differ to the amount delivered, this difference is included within accrued or deferred income accordingly.

2.5 Interest receivable / payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on the notice of not more than 24 hours..

Other financial instruments

The Company uses variable to fixed interest rate swaps to manage its exposure to fair value risk on its interest rates and foreign exchange derivatives. These derivatives are measured at fair value at each balance sheet date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where a derivative financial instrument qualifies for hedge accounting and is designated as a hedge of the variability in cashflows 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 Other Comprehensive Income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues 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 hedge transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in profit and loss immediately.

3. Employees

The average monthly number of employees, including directors, during the year was 0 (2018 - 0).

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	26,926,601
At 31 December 2019	<u>26,926,601</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Crook Hill Properties Limited	2nd Floor Palm Grove House, Road Town, Tortola, Virgin Islands, British	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Crook Hill Properties Limited	11,216,649	3,738,629

5. Debtors

	2019 £	2018 £
Other debtors	31,101,452	34,538,168
Prepayments and accrued income	16,359	15,830
	<u>31,117,811</u>	<u>34,553,998</u>

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	3,364,498	3,508,566
Corporation tax	2,198	1,926
Accruals and deferred income	7,347	20,451
	<u>3,374,043</u>	<u>3,530,943</u>

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

	2019 £	2018 £
Bank loans	38,186,492	41,435,506
Financial instruments	4,281,730	3,966,349
	<u>42,468,222</u>	<u>45,401,855</u>

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	3,364,498	3,508,566
	<u>3,364,498</u>	<u>3,508,566</u>
Amounts falling due 2-5 years		
Bank loans	14,148,933	13,142,017
	<u>14,148,933</u>	<u>13,142,017</u>
Amounts falling due after more than 5 years		
Bank loans	24,037,559	28,293,489
	<u>24,037,559</u>	<u>28,293,489</u>
	<u>41,550,990</u>	<u>44,944,072</u>

The bank loan is a term loan repayable in six-monthly instalments from June 2016 to June 2030 and bears interest at a variable rate based on floating LIBOR. In respect of the term loan the company has entered into an interest hedging agreement to be applied to the expected future borrowings. The hedging agreement fixes the interest rate at 3.063%. The term loan is secured by way of a fixed and floating charge over the company's assets. Loan issue costs in respect of these facilities have been deducted from the gross proceeds of the bank borrowings and are being amortised over the period of the facilities as part of the finance costs.

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
19,548,855 (2018 - 19,548,855) Ordinary Shares shares of £1.00 each	<u>19,548,855</u>	<u>19,548,855</u>

10. Reserves

Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

EUROPEAN INVESTMENTS (CROOK HILL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Controlling party

The Company's immediate parent undertaking is Ventus Investments Limited, a company registered in England and Wales.

The ultimate controlling party of the Company is the Royal Bank of Scotland Pension Scheme.

The only group in which the results of the company are consolidated is that headed by Ventus Investments Limited, 2 Hunting Gate, Hitchin, Hertfordshire, SG4 0TJ. These consolidated financial statements are available to the public.