GIP III JUPITER INVESTOR TOPCO LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTERED NUMBER: 11383051

GIP III JUPITER INVESTOR TOPCO LIMITED
REGISTERED NUMBER: 11383051
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
CONTENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS:	Deepak Kumar Agrawal Thomas Dennis Elliot Sarobe
REGISTERED OFFICE:	1 Bartholomew Lane London EC2N 2AX United Kingdom
REGISTERED NUMBER:	11383051 (England and Wales)
COMPANY SECRETARY:	Intertrust (UK) Limited 1 Bartholomew Lane London EC2N 2AX United Kingdom
PRINCIPAL BANKERS:	National Westminster Bank Plc Premier Place, Devonshire Square London EC2M 4XB United Kingdom

The directors present their annual report on the affairs of GIP III Jupiter Topco Limited (the "Company"), together with the unaudited financial statements, for the year ended 31 December 2019.

This directors' report has been prepared in accordance with the special provisions relating to small companies. The Company is availing of the exemption from preparing a strategic report or enhanced business review under part 15 of section 414B of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company continued to be that of a holding Company.

KEY PERFORMANCE INDICATORS

The Company's primary role is an intermediate holding company and as such it has no material trading activities and therefore there are no key performance indicators to be disclosed.

GOING CONCERN

After making appropriate enquiries, the Board of directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they have chosen to adopt the going concern basis in preparing the Company's financial statements.

DIVIDENDS

During the year, no dividend was paid or proposed (2018: £nil).

ISSUE OF SHARES

As at 31 December 2019, the issued share capital consists of £215,400,001 fully paid ordinary shares of £1 each.

DIRECTORS

The Directors of the Company who served during the year and up to the date of signing were:

- Deepak Kumar Agrawal
- Thomas Dennis Elliot Sarobe (appointed 23 September 2019)
- Nicholas Buddicom (resigned 23 September 2019)

DIRECTORS' INDEMNITIES

The Company has not made qualifying third party indemnity provisions for the benefit of its directors during the year and up to the date of this report.

SUBSTANTIAL SHAREHOLDINGS

As at the date of this report, the Company did not receive any notifications under chapter 5 of the Disclosure Guidance and Transparency Rules.

TREASURY POLICIES

The objectives of the Company are to manage the Company's financial risk, secure cost effective funding for the Company's operations, and to minimise the adverse effects of fluctuations in the financial markets on the Company's financial assets and liabilities, on reported profitability and on the cash flows of the Company.

The Company finances its activities with a combination of shareholder loan arrangements and shareholders' equity. Other financial assets and liabilities such as trade debtors and trade creditors, arise directly from the Company's operating activities.

FUTURE OUTLOOK

Brexit

On 23 June 2016, the United Kingdom held a referendum in which voters approved an exit from the European Union, commonly referred to as "Brexit". In March 2017, the UK Government invoked Article 50 formally commencing the process for the United Kingdom to leave the European Union on 31 January 2020, commonly referred to as "Brexit day". As a result of this, it is possible that there will be greater restrictions on imports and exports between the United Kingdom and the European Union countries and increased regulatory complexities.

Following the United Kingdom's departure from the European Union on the proposed current Brexit day, the United Kingdom will enter a transition period until 31 December 2020. This will mean that although the United Kingdom will cease to be an EU member, the trading relationship will remain the same and the United Kingdom will continue to follow the EU's rules, such as accepting rulings from the European Court of Justice.

These changes may adversely affect the Company's operations and financial results. The announcement of Brexit may also create global economic uncertainty, which may cause customers to closely monitor their costs and reduce their spending budgets on our products and services.

The Company is monitoring the ongoing Brexit negotiations.

Covid-19

The recent outbreak of the global novel coronavirus (“COVID-19”) pandemic has had a material adverse impact on the economies of many countries and has adversely affected global commercial activity. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, but the COVID-19 crisis is expected to have a continuing and significant adverse effect on economic and market conditions and trigger a period of global economic slowdown. Such conditions (which may be across industries, sectors or geographies) will impact the operating performance of the Company’s financial assets and equity investment in the near term.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks are considered to be the wider global economic environment. These risks are reviewed and managed through the Company's business performance and risk management processes. See note 18 for further details.

Approved by the Board and signed on its behalf by:

Thomas Dennis Elliot Sarobe
Director
30-June-2020

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (IFRS) as adopted by the European Union has been followed;
- 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 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.

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 and, as regards the financial statements, Article 4 of the IAS Regulation.

These responsibilities have been fulfilled by the directors and the directors confirm that they have complied with the above requirements in preparing these financial statements.

Approved by the Board and signed on its behalf by:

Thomas Dennis Elliot Sarobe
Director
30-June-2020

STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 Dec 2019 £	Period from 25 May 2018 to 31 Dec 2018 £
Administrative expenses	4	(64,727)	(10,300)
Operating loss		**(64,727)**	**(10,300)**
Finance income	5	19,000,000	800,000
Finance costs	6	(19,000,000)	(800,000)
Net finance costs		-	-
Loss on ordinary activities before taxation		**(64,727)**	**(10,300)**
Income tax expense	8	(893,143)	-
Loss for the year		**(957,870)**	**(10,300)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(957,870)**	**(10,300)**

There were no components of 'other comprehensive income' which are required to be separately disclosed during the current year and prior period.

All of the amounts above are in respect of continuing operations.

REGISTERED NUMBER: 11383051

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	31 Dec 2019	31 Dec 2018
		£	£
Non-current assets			
Equity investment	9	557,675,001	291,600,001
Non-current financial assets	10	371,799,999	194,399,999
Total non-current assets		**929,475,000**	**486,000,000**
Current assets			
Interest receivable	11	19,800,000	800,000
Cash and cash equivalents	12	3,181	-
Total current assets		**19,803,181**	**800,000**
Total assets		**949,278,181**	**486,800,000**
Current liabilities			
Trade payables and other current liabilities	13	(20,758,851)	(810,300)
Total current liabilities		**(20,758,851)**	**(810,300)**
Non-current liabilities			
Interest-bearing loans	14	(371,799,999)	(194,399,999)
Total non-current liabilities		**(371,799,999)**	**(194,399,999)**
Total liabilities		**(392,558,850)**	**(195,210,299)**
Net assets		**556,719,331**	**291,589,701**
Capital and Reserves			
Share capital	15	215,400,001	215,400,001
Capital contribution	15	342,287,500	76,200,000
Accumulated losses	16	(968,170)	(10,300)
Shareholders' Equity		**556,719,331**	**291,589,701**

The accompanying notes on pages 10 to 28 form an integral part of these unaudited financial statements

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

For the year ended 31 December 2019, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

The financial statements of GIP III Jupiter Investor Topco Limited were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Thomas Dennis Elliot Sarobe
Director
30-June-2020

Registered number: 11383051

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

	Share Capital £	Capital contribution £	Accumulated losses £	Total Equity £
Incorporation on 25 May 2018	1	-	-	1
Issue of share capital (Note 15)	215,400,000	-	-	215,400,000
Capital contribution from shareholder (Note 15)	-	76,200,000	-	76,200,000
Loss for the period (Note 16)	-	-	(10,300)	(10,300)
Balance as at 31 December 2018 and 1 January 2019	**215,400,001**	**76,200,000**	**(10,300)**	**291,589,701**
Capital contribution from shareholder (Note 15)	-	266,087,500	-	266,087,500
Loss for the year (Note 16)	-	-	(957,870)	(957,870)
Balance as at 31 December 2019	**215,400,001**	**342,287,500**	**(968,170)**	**556,719,331**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 Dec 2019 £	Period from 25 May 2018 to 31 Dec 2018 £
Cash flows from operating activities			
Net loss before taxation		(957,870)	(10,300)
Finance income	**5**	(19,000,000)	(800,000)
Finance costs	**6**	19,000,000	800,000
Working capital adjustment:			
Increase in interest receivable		(19,000,000)	(800,000)
Increase in interest payable		19,000,000	800,000
Increase in other current liabilities		948,551	10,300
Net cash used in operating activities		**(9,319)**	**-**
Cash flows from Investing activities			
Acquisition and additional contribution to subsidiary	**9**	(266,075,000)	(291,600,001)
Loans granted to subsidiary	**10**	(177,400,000)	(194,399,999)
Net cash used in investing activities		**(443,475,000)**	**(486,000,000)**
Cash flows from financing activities			
Issuing share capital	**15**	-	215,400,001
Capital contribution	**15**	266,087,500	76,200,000
Net proceeds from long term borrowings	**14**	177,400,000	194,399,999
Net cash generated from financing activities		**443,487,500**	**486,000,000**
Net increase in cash and cash equivalents		3,181	-
Cash and cash equivalents at beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year	**12**	**3,181**	**-**

1. GENERAL INFORMATION

GIP III Jupiter Investor Topco Limited (the “Company”) is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office is 1 Bartholomew Lane, London, EC2N 2AX.

The Company is a holding entity and was established to raise funding through issuance of share capital and debt financial instruments to finance its holding activity.

The Company's financial year starts 1 January and ends 31 December except for the first financial period which was a short first period and started from the date of incorporation, 25 May 2018 until 31 December 2018. Therefore these financial statements as at 31 December 2019 relate to a twelve month period and consists of an entire calendar year with comparative figures.

The Company’s financial statements are presented in GBP (“£”), which is also the Company’s functional currency and all values are rounded to the nearest pound sterling unit, unless otherwise indicated. In addition these financial statements present the statement of cash flows using the indirect method.

2. STATEMENT OF ACCOUNTING POLICIES

The Company's principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Statement of compliance

The financial statements for the year ended 31 December 2019 has been prepared in accordance with EU adopted International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The standards applied by the Company are those endorsed by the European Union and effective at the date the financial statements are approved by the Board. All the accounting policies have been consistently applied in the financial statements.

2.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for:

- non-current financial assets and liabilities which have been accounted for at amortised cost;

2.3 Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRSs as adopted by the EU, requires the use of accounting estimates and exercise of judgement by the Directors while applying the Company’s accounting policies. These estimates are based on the Directors’ best knowledge of the events, which existed at the financial position date; however, the actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

2. STATEMENT OF ACCOUNTING POLICIES - continued

2.4 Adoption of new and revised standards

Amendments to IFRSs that are mandatorily effective for the current year

In the current period, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- IFRS 9 (amendments) - Prepayment Features with Negative Compensation
- IFRS 16 - Leases
- IFRS 3 (amendments) - Business Combinations
- IFRS 11 (amendments) - Joint Arrangements
- IAS 12 (amendments) - Income Taxes
- IAS 19 (amendments) - Employee Benefits
- IAS 23 (amendments) - Borrowing Costs
- IAS 28 (amendments) - Investments in Associates and Joint Ventures
- IFRIC 23 - Uncertainty over Income Tax Treatments

All of the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and revised IFRSs in issue but not yet effective

As at the date of authorisation of these financial statements, the following key standards and amendments were in issue but not yet effective. The Company has not applied these standards and interpretations in the preparation of these financial statements.

- IFRS 3 (amendments) - Amendments to clarify the definition of a business - (Effective 1 January 2020)
- IFRS 7 (amendments) - Amendments regarding pre-replacement issues in the context of the IBOR reform - (Effective 1 January 2020)
- IFRS 9 (amendments) - Amendments regarding pre-replacement issues in the context of the IBOR reform - (Effective 1 January 2020)
- IFRS 17 - Insurance Contracts - (Effective 1 January 2021)
- IAS 1 (amendments) - Presentation of Financial Statements - (Effective 1 January 2020)
- IAS 8 (amendments) - Accounting Policies, Changes in Accounting Estimates and Errors - (Effective 1 January 2020)
- IAS 39 (amendments) - Financial Instruments: Recognition and Measurement - (Effective 1 January 2020)

There are no other IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 January 2019 that would be expected to have a material impact on the Company.

2.5 Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated at the foreign exchange rate ruling at that date. Foreign exchange differences are recognised in the statement of comprehensive income within ‘Finance income’ or ‘Finance costs’.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2. STATEMENT OF ACCOUNTING POLICIES - continued

2.6 Consolidation

The Company is a subsidiary of GIP III Jupiter Super ToCo Ltd ("the Parent Company"). The Company's ultimate parent undertaking, controlling party and largest group is GIP III Jupiter Super TopCo Ltd (a Cayman entity). The Company's account is included in the consolidated financial statements of GIP III Jupiter Super TopCo Ltd, which is publicly available, and prepared consolidated financial statements under IFRS. The copies of GIP III Jupiter Super TopCo Ltd's consolidated financial statements may be obtained from the Parent Company's Secretary at 1345 Avenue of the Americas, New York, NY 10105.

Consequently, the Company has prepared separate financial statements and taken advantage of the exemption from preparing consolidated financial statements since it meets all the following conditions under IFRS 10:

(i) it is a wholly-owned subsidiary and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements;

(ii) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets)

(iii) it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market;

(iv) its ultimate parent produces financial statements that are available for public use and comply with IFRSs, in which subsidiaries are consolidated or are measured at fair value through profit or loss in accordance with this IFRS.

2.7 Summary of significant accounting policies

(a) Finance income and costs

Finance income and costs comprise of interest income and expenses and are recognised using the effective interest rate method ("EIR"), except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset.

Realised and unrealised foreign exchange results on intercompany transactions are also shown in finance costs or finance income.

(b) Administrative expenses

Expenses are recognised in the statement of comprehensive income in the period in which they are incurred and include administration expenses such as marketing expenses, leasing fees, professional fees, service charge expenses, legal fees, management fees, advisory fees and other operating expenses.

(c) Taxation

Current income tax

Current income tax assets and liabilities are measured at the reporting date at the amount expected to be recovered from or paid to taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position.

2. STATEMENT OF ACCOUNTING POLICIES - continued

2.7 Summary of significant accounting policies

(c) Taxation - continue

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date, whereas the deferred tax assets will be recognised to the extent that they do not exceed the deferred tax liability.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(d) Equity investment

Equity investment include investment in a subsidiary of the Company and stated at acquisition cost less impairment losses, if any.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Dividends from a subsidiary are recognized when the entity's right to receive the dividend is established. The dividend is recognized in statement of comprehensive income.

Investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cashflow model ("DCF"). The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets.

2. STATEMENT OF ACCOUNTING POLICIES - continued

2.7 Summary of significant accounting policies - continued

(d) Equity investment - continued

The Company's investment is subject to various risk factors including market and credit risk, interest rate and foreign exchange risk, and the risks associated with investing in private security. Investment in private security is illiquid, and there can be no assurances that the Company will be able to realize the value of such investment in a timely manner. Additionally, the Company's investment may be highly concentrated in certain industries. In addition, consequences of political, social, economic, diplomatic changes, or public health conditions may have disruptive effects on market prices or fair valuations of our investment.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used. At 31 December 2019, there was no impairment recognised (2018: £nil).

(e) 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 of the statement of cash flows.

(f) Financial assets

Financial assets are recognised on their trade date, when the Company becomes party to the contractual provisions of the instrument.

Classification and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, transaction costs.

Financial assets are classified in different measurement categories in accordance with their characteristics as follows:

i) Fair value through profit or loss ("FVPL")

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Fair value adjustment of financial assets and liabilities' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets is included in 'Finance income' using the effective interest rate method.

ii) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ("SPPI") and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 3.1. Interest income from these financial assets is included in 'Finance income' using the effective interest rate method.

2. STATEMENT OF ACCOUNTING POLICIES - continued

2.7 Summary of significant accounting policies - continued

(f) Financial assets - continued

Classification and measurement - continued

ii) Amortised cost - continued

Non-current financial assets at amortised cost have been classified under this category.

The Company reclassifies debt investments only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the changes. Such changes are expected to be very infrequent and none has occurred during the period.

(g) Impairment of financial assets

For financial assets held at amortised cost, IFRS 9 requires the Company's financial assets to be subject to a forward looking expected credit loss model ("ECL"). The expected loss rates are based upon the historical credit losses experienced within the period, adjusted for current and forward looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable. Such forward looking information includes economic forecasts, industry updates and information concerning the tenant base.

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

All impairment losses are recognised in the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(h) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. STATEMENT OF ACCOUNTING POLICIES - continued

2.7 Summary of significant accounting policies - continued

(i) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Loans and borrowings include shareholder loans.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(j) Share Capital

Share capital consists of ordinary shares which are classified as equity when there is no obligation to transfer cash or other assets.

(k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event for which, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

2. STATEMENT OF ACCOUNTING POLICIES - continued

2.7 Summary of significant accounting policies - continued

(k) Provisions - continued

Provisions are recognised as the present value of the expenditures expected to be required to settle the obligation. No provision is recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision may be recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the Company’s accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognised in these financial statements.

Investments

Investments are assessed for impairment at each reporting date if events or changes in circumstances indicate that the carrying amount may not be recoverable. This involves estimation of future cash flows including working capital, tax and decommissioning payments. The determination is based on management’s estimates of the most likely outcome of future events.

Provision for expected credit losses

When measuring ECL the Company uses historical credit losses experienced within the period, adjusted for current and forward looking information on the macroeconomic factors affecting the liability of the debtors to settle the receivables. Such forward looking information includes economics forecasts, industry updates and information concerning the debtor base. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Income taxes and deferred taxes

During normal operation of the business, many transactions and calculations take place, for which the accurate calculation is uncertain. In the case that the final taxes after audit are different than the amounts initially posted, these differences will affect income tax and provisions for deferred tax during the year when the determination of tax differences took place. The Company believes that income tax and deferred taxes for the unaudited tax year have correctly been estimated and deferred taxes have been recognised to the extent that differences between accounting and taxable profits were considered to be temporary.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - CONTINUED

3.1 Critical judgements in applying the Company’s accounting policies - continued

Going concern

The financial statements have been prepared on a going concern basis because there are no material uncertainties related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern.

4. OPERATING LOSS

Operating loss has been arrived at after charging:

	Year ended 31 Dec 2019	Period from 25 May 2018 to 31 Dec 2018
	£	£
Professional fees	(64,727)	(10,300)
Total	**(64,727)**	**(10,300)**

5. FINANCE INCOME

	Year ended 31 Dec 2019	Period from 25 May 2018 to 31 Dec 2018
	£	£
Shareholder loan Interest income	19,000,000	800,000
	19,000,000	**800,000**

6. FINANCE COSTS

	Year ended 31 Dec 2019	Period from 25 May 2018 to 31 Dec 2018
	£	£
Interest expense on Shareholder loan	(19,000,000)	(800,000)
	(19,000,000)	**(800,000)**

7. DIRECTORS AND EMPLOYEES

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the year (2018 £nil).

8. INCOME TAX EXPENSE

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year were as follows:

	Year ended 31 Dec 2019	Period from 25 May 2018 to 31 Dec 2018
Current tax:	£	£
Current tax expense for the year	(893,143)	-
Total current tax	**(893,143)**	**-**

8. INCOME TAX EXPENSE - CONTINUED

Reconciliation of effective tax rate	Year ended 31 Dec 2019 £	Period from 25 May 2018 to 31 Dec 2018 £
Loss on ordinary activities before taxation	(64,727)	(10,300)
Theoretical income tax benefit at 19.00% (2018: 19%)	(12,298)	(1,957)
Tax effects of:		
Group relief surrendered	(893,143)	-
Non-recognised deferred tax assets	12,298	1,957
Total income tax expense for the year	**(893,143)**	**-**

No deferred tax assets have been recognised for the carry-forward of unused tax losses and deductible temporary differences as management do not believe that it is possible that future taxable profit will be available against unused tax losses and deductible temporary differences.

Factors that may affect future tax charges

The current effective UK corporation tax rate for the financial year is 19% (2018: 19%). The UK corporation tax rate will now remain at 19% until 31 March 2022.

9. EQUITY INVESTMENT

Subsidiary information

Movements in the carrying value of the investment during the financial year were as follows:

	Year ended 31 Dec 2019 £	Period ended 31 Dec 2018 £
Opening balance		
At beginning of the year	291,600,001	-
Additions	266,075,000	291,600,001
Impairment	-	-
At end of the year	**557,675,001**	**291,600,001**

The additions during the financial period relate to capital contributions in cash of £94,500,000 on 22 March 2019 and £149,980,000 on 21 June 2019, £16,195,000 on 21 November 2019 and £5,400,000 on 19 December 2019 respectively, to the Company's wholly-owned subsidiary GIP III Jupiter Investor Midco Limited.

Subsidiary undertakings

The subsidiary undertaking of the Company is detailed below. The company was incorporated in the United Kingdom.

9. EQUITY INVESTMENT - CONTINUED

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Company	Holding
GIP III Jupiter Investor Midco Limited	Holding Company	1 Bartholomew Lane, London EC2N 2AX, United Kingdom.	100%	A Ordinary Shares

On 25 May 2018, the Company acquired 100% of the share capital of GIP III Jupiter Investor Midco Limited (“GIP III Midco”) for a total amount of £291,600,001 paid in cash. The acquisition of the shares was financed by the issuance of Class A shares fully paid up by GIP III Investor SuperTopco Limited (the “Sole shareholder”) and additional capital contributions made by the sole shareholder. The sole principle purpose of GIP III Midco is to act as an investment holding company for the investment in GIP III Jupiter Limited ("GIP III Jupiter") through the chain of other entities.

GIP III Midco owns 100% of the A ordinary share capital of GIP III Jupiter Investor Holdco Limited, which in turn owns 100% of the A ordinary share capital of GIP III Jupiter Limited with the registered address of 1 Bartholomew Lane, London, EC2N 2AX.

GIP III Jupiter Limited owns 50% of Hornsea 1 Holdings Limited (the “Joint venture”) which was acquired from Orsted Wind Power A/S. The registered address of Hornsea Holdings Limited is 5 Howick Place, London, SW1P 1WG.

The Joint venture owns 100% of the issued share capital of Hornsea 1 Limited, a company set up to develop and construct a wind farm in the area known as Hornsea 1, located approximately 101 km off the Yorkshire coast. During the financial period ended 31 December 2018, Hornsea 1 Limited entered into a construction agreement detailing its future obligations in terms of the funding provision to complete the construction in April 2020. The agreement lays out the structure of quarterly instalments to be paid by the structure up to the final payment in April 2020. Although, the Company is not a direct party to this agreement, indirectly the Company will be providing part of the financing to Hornsea 1 Limited through subsidiary and other group company described above.

10. NON-CURRENT FINANCIAL ASSETS

	Year ended 31 Dec 2019 £	Period ended 31 Dec 2018 £
Shareholder loan receivable	371,799,999	194,399,999
	371,799,999	**194,399,999**

Shareholder loan receivable

During the year ended 31 December 2019, the Company provided a loan to its subsidiary with the following characteristics:

10. NON-CURRENT FINANCIAL ASSETS - CONTINUED

Loan: 6.5% Interest-bearing Shareholder loan provided to GIP III Jupiter Investor Midco Limited
The shareholder loan provided to GIP III Jupiter Investor Midco Limited bears annual interest at the rate of 6.5% and repayable on demand. However, due to the nature of the loan and the underlying target investment the directors consider this loan being a non-current, as the repayment of this loan is directly linked to the ultimate finalization of the construction of the power plant and subsequent sale of it. Interest is payable in arrears on the last day of each calendar months and calculated on the basis of twelve equal months of 30 days and a calendar year of 360 days. The outstanding principal of this loan as at 31 December 2019 amounts to £371,799,999 (2018: £194,399,999). he overall accrued interest on this loan for the year ended 31 December 2019 amounts to £19,800,000 (2018: £800,000).

11. INTEREST RECEIVABLE

	Year ended 31 Dec 2019 £	Period ended 31 Dec 2018 £
Shareholder loan interest receivable	19,800,000	800,000
	19,800,000	**800,000**

12. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Company's statement of cash flows in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

	Year ended 31 Dec 2019 £	Period ended 31 Dec 2018 £
Cash at bank and in hand	3,181	-
Net cash and cash equivalents per the statements of cash flows	**3,181**	**-**

The cash at bank balances are held with National Westminster Bank Plc.

13. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	Year ended 31 Dec 2019 £	Period ended 31 Dec 2018 £
Current:		
Interest payable on shareholder loan (see note 14)	(19,800,000)	(800,000)
Taxation payable	(893,143)	-
Accrued expenses	(49,800)	(10,300)
Trade creditors	(15,908)	-
	(20,758,851)	**(810,300)**

14. INTEREST-BEARING LOANS

	Year ended 31 Dec 2019 £	Period ended 31 Dec 2018 £
Non-current:		
Shareholder loan payable	(371,799,999)	(194,399,999)
	(371,799,999)	**(194,399,999)**

14. INTEREST-BEARING LOANS - CONTINUED

Shareholder loan payable

6.5% Interest Shareholder loan provided by GIP III Jupiter Acquisition Partners, L.P.
The shareholder loan provided by GIP III Jupiter Acquisition Partners, L.P. bears annual and monthly interest at the rates of 6.5% and 0.53% respectively. Interest is payable in arrears on the last day of each calendar months and calculated on the basis of twelve equal months of 30 days and a calendar year of 360 days. The outstanding principal of this loan as at 31 December 2019 amounts to £371,799,999 (2018: £194,399,999). The overall accrued interest on this loan for the year ended 31 December 2019 amounts to £19,800,000 (2018: £800,000).

15. SHARE CAPITAL

	Year ended 31 Dec 2019 Number £	Period ended 31 Dec 2018 Number £
Authorised:		
215,400,001 ordinary shares of £1 each	215,400,001	215,400,001
Issued and fully paid:		
At beginning of the year, 215,400,001 ordinary shares of £1 each	215,400,001	215,400,001
At end of the year, 215,400,001 ordinary shares of £1 each	**215,400,001**	**215,400,001**

The capital of the Company is represented by the net assets attributable to the shareholders. The Company's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company.

The Company is not subject to any externally imposed capital requirements.

In addition to the authorised and fully paid up share capital described above, during the year, the sole shareholder provided additional capital contribution for a total of £266,087,500 (2018: £76,200,000), to the Company, which was subsequently used by a Company for further investment in its subsidiary. See Note 22 for the Board of Directors' approval of allotment and issuance of shares related to these captal contribution.

16. ACCUMULATED LOSSES

	Year ended 31 Dec 2019 £	Period ended 31 Dec 2018 £
At beginning of the year	(10,300)	-
Loss for the financial year	(957,870)	(10,300)
At end of the year	**(968,170)**	**(10,300)**

17. FINANCIAL INSTRUMENTS

The narrative disclosures required by IFRS 9 in relation to the nature of the financial instruments used during the year by the Company.

The Company's principal financial assets and liabilities comprise of loan assets and liabilities. The main purpose of these financial liabilities is to finance the Company's operations which consist of direct investment in equity of the group companies as well as interest-bearing loan provisions to same group companies.

18. FINANCIAL RISK MANAGEMENT

(a) Principal risks and uncertainties

The Company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk, fair value interest rate risks and price risk), credit risk, foreign currency risk and liquidity risk.

Risk management is carried out by applied policies approved from the Board of Directors of the Company. The Board of Directors of the Company provided principles for overall risk management as well as policies covering specific areas such as interest rate risks, credit risk and investment of excess liquidity.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Directors of the Company have insured, that the Company has limited exposure to the market risk, which is mitigated by application to the current UK Government's "Contract for Difference" regime, under which when completed the investment will earn revenues based on a stable inflation-linked tariff (2018 nominal, indexed to CPI) for a 15-year period post commissioning. It will also benefit from a 20-year operation and maintenance services agreement with current contractor which provides for the majority of operating costs to be fix.

Following initial set-up, the Board of Directors monitor the Company's performance, reviewing reports on the performance of Hornsea 1 Holdings Limited and its subsidiaries. Such review is designed to ensure that the terms of the documentation have been met and that no unforeseen risks have arisen.

i) Foreign currency risk

Foreign exchange risk is the risk that that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Company is exposed to an immaterial level of currency risk as all of the Company's financial assets and liabilities are denominated in sterling.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest is very limited, due to the bank borrowings as well as inter-group borrowings being obtained on a fixed interest rate terms. The Company manages its interest rate risk by having majority portfolio of fixed rate loans and borrowings.

At the year end the Company was not party to an interest rate swap to hedge the interest rate on the fixed rate loans.

18. FINANCIAL RISK MANAGEMENT - CONTINUED

Interest rate risk - continued

As at 31 December 2019 the following rates were applicable:

	Year ended 31 Dec 2019 £	Fixed interest rates	Interest payments
Shareholder loan	371,799,999	6.50%	Monthly
	371,799,999		

As at 31 December 2018 the following rates were applicable:

	Period ended 31 Dec 2018 £	Fixed interest rates	Interest payments
Shareholder loan	194,399,999	6.50%	Monthly
	194,399,999		

Credit risk

Credit risk is the risk that any counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is managed by the Company by assessing the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on the Loan is considered to be minimal because any credit losses on the shareholder loan would be offset by shareholder loan payable for the same amount.

The maximum exposure to credit risk pre-collateral as stated above arising on the Company's financial assets at the reporting date is disclosed in the table below and is equivalent to the book value of the financial assets.

	Carrying value 31 Dec 2019 Principal	Carrying value 31 Dec 2019 Interest	Maximum exposure 31 Dec 2019 Total
Assets:	£	£	£
Shareholder loan	371,799,999	19,800,000	391,599,999
	371,799,999	**19,800,000**	**391,599,999**

	Carrying value 31 Dec 2018 Principal	Carrying value 31 Dec 2018 Interest	Maximum exposure 31 Dec 2018 Total
Assets:	£	£	£
Shareholder loan	194,399,999	800,000	195,199,999
	194,399,999	**800,000**	**195,199,999**

18. FINANCIAL RISK MANAGEMENT - CONTINUED

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity 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 manages liquidity risk by maintaining adequate cash balances and banking facilities, loans granted by the shareholders, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	< 1 year	1 to 5 years	> 5 years	Total
Year ended 31 Dec 2019					
Shareholder loan	371,799,999	-	-	-	371,799,999
Interest payable on Shareholder loan	19,800,000	-	-	-	19,800,000
Total	**391,599,999**	**-**	**-**	**-**	**391,599,999**

Reconciliation of liabilities arising from financing activities:

	Cash flows	Finance costs	Non-cash	Total
Year ended 31 Dec 2019				
Shareholder loan	371,799,999	-	-	371,799,999
Interest payable on Shareholder loan	-	19,800,000	-	19,800,000
Total	**371,799,999**	**19,800,000**	**-**	**391,599,999**

	On demand	< 1 year	1 to 5 years	> 5 years	Total
Period ended 31 Dec 2018					
Shareholder loan	194,399,999	-	-	-	194,399,999
Interest payable on Shareholder loan	800,000	-	-	-	800,000
Total	**195,199,999**	**-**	**-**	**-**	**195,199,999**

18. FINANCIAL RISK MANAGEMENT - CONTINUED

Liquidity risk - continued

Reconciliation of liabilities arising from financing activities:

	Cash flows	Finance costs	Non-cash	Total
Period ended 31 Dec 2018				
Shareholder loan	194,399,999	-	-	194,399,999
Interest payable on Shareholder loan	-	800,000	-	800,000
Total	**194,399,999**	**800,000**	**-**	**195,199,999**

19. GUARANTEES AND COMMITMENTS

The Company does not have any outstanding guarantees or commitments that have not been included in these financial statements.

20. PARENT AND ULTIMATE CONTROLLING PARTY

The entire issued share capital of GIP III Jupiter Investor Topco is held by GIP III Jupiter Super Topco Limited Cayman, a company incorporated and registered in Cayman.

The Company's ultimate parent undertaking, controlling party and largest group of which the Company is GIP III Jupiter Super TopCo Ltd (Cayman).

21. RELATED PARTY TRANSACTIONS

A number of transactions were entered into with the related parties as part of the Company's normal business and are summarised below the year ended 31 December 2019 and prior period:

			Amounts owed by related parties	
Year ended 31 December 2019		**Investment**	**Loan principal**	**Interest**
GIP III Jupiter Midco Limited	Acquisition of class A shares and capital contribution	557,675,001	-	-
	Shareholder Loan	-	371,799,999	19,800,000

			Amounts owed by related parties	
Period ended 31 December 2018		**Investment**	**Loan principal**	**Interest**
GIP III Jupiter Midco Limited	Acquisition of class A shares and capital contribution	291,600,001	-	-
	Shareholder Loan	-	194,399,999	800,000

The amounts listed under "Amounts owed by related parties" are composed of the shareholder interest bearing loans repayment on demand (see note 10 for details).

21. RELATED PARTY TRANSACTIONS - CONTINUED

Year ended 31 December 2019		**Share capital**	**Amounts owed to related parties** **Loan principal**	**Interest**	**Advances**
GIP III Jupiter Super TopCo Ltd (100% shareholder)	Issuance of class A shares	(215,400,001)	-	-	-
	Capital contribution	(342,287,500)	-	-	-
	Shareholder Loans	-	(371,799,999)	(19,800,000)	-

Period ended 31 December 2018		**Share capital**	**Amounts owed to related parties** **Loan principal**	**Interest**	**Advances**
GIP III Jupiter Super TopCo Ltd (100% shareholder)	Issuance of class A shares	(215,400,001)	-	-	-
	Capital contribution	(76,200,000)	-	-	-
	Shareholder Loans	-	(194,399,999)	(800,000)	-

22. SUBSEQUENT EVENTS

During current year 2019 and prior period 2018, the Shareholder advanced the full amounts of the Subscription Price in amounts of £266,087,500 and £76,200,000 respectively to the Company in anticipation of the Share Subscription but the Company did not approve the allotment and issuance at such time. Accordingly, the Company recorded the total amount of £342,287,500 as capital contribution for the year ended 31 December 2019. On 26 February 2020, the Board of Directors of the Company formally approved an allotment and issuance of shares to give effect to the Share Subscription.

The recent outbreak of the global novel coronavirus ("COVID-19") pandemic has had a material adverse impact on the economies of many countries and has adversely affected global commercial activity. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, but the COVID-19 crisis is expected to have a continuing and significant adverse effect on economic and market conditions and trigger a period of global economic slowdown. Such conditions (which may be across industries, sectors or geographies) will impact the operating performance of the Company's financial assets and equity investment in the near term. The valuation as at 31 December 2019 as disclosed in the financial statements reflects the economic conditions in existence at that date.