

Company Registration No. 10389311 (England and Wales)

AURA BIDCO MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



AURA BIDCO MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Mr E Wilson Mr A Clapp	(Appointed 27 February 2020)
Company number	10389311	
Registered office	Windsor House Bayshill Road Cheltenham GL50 3AT	
Auditor	UHY Hacker Young LLP Quadrant House 4 Thomas Square London E1W 1YW	
Bankers	Barclays Bank PLC 8 Hanover Square London W1S 1HH	

AURA BIDCO MANAGEMENT LIMITED

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AURA BIDCO MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activities

The principal activity of Aura Bidco Management Limited ("the Company") and its subsidiaries ("the Group") is holding investments that operate renewable energy assets and generate electricity through the operation of wind turbines in the UK

Directors

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

Mr N Cole	(Resigned 31 March 2019)
Mr E Wilson	
Mr A Clapp	(Appointed 27 February 2020)
P Burgess	(Resigned 27 February 2020)

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

The auditor, UHY Hacker Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

Covid 19

The Directors have assessed the impact of Covid 19 on the group and do not consider that it will have a significant effect on continuing operations of companies within the group.

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

On behalf of the board



Mr E Wilson
Director

8 December 2020

AURA BIDCO MANAGEMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

AURA BIDCO MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AURA BIDCO MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Aura Bidco Management Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group profit and loss account, the group balance sheet, the company balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

AURA BIDCO MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AURA BIDCO MANAGEMENT LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

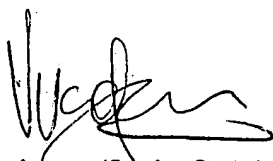
AURA BIDCO MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AURA BIDCO MANAGEMENT LIMITED

Use of our report

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



Vinodkumar Vadgama (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP

15 December 2020

Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas Square
London
E1W 1YW

AURA BIDCO MANAGEMENT LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover		9,671,093	9,252,237
Cost of sales		(1,480,100)	(1,213,523)
Gross profit		8,190,993	8,038,714
Administrative expenses		(5,446,293)	(5,521,389)
Operating profit		2,744,700	2,517,325
Interest payable and similar expenses	3	(3,779,685)	(3,869,729)
Loss before taxation		(1,034,985)	(1,352,404)
Tax on loss		(253,376)	(78,927)
Loss for the financial year		(1,288,361)	(1,431,331)

Loss for the financial year is all attributable to the owners of the parent company.

AURA BIDCO MANAGEMENT LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018 Restated	
		£	£	£	£
Fixed assets					
Total intangible assets	4	20,491,769		21,703,105	
Tangible assets	5	51,139,384		54,491,972	
		<u>71,631,153</u>		<u>76,195,077</u>	
Current assets					
Debtors	8	7,919,287	7,236,360		
Cash at bank and in hand		1,562,552	2,555,998		
		<u>9,481,839</u>	<u>9,792,358</u>		
Creditors: amounts falling due within one year	9	<u>(6,870,049)</u>	<u>(3,963,283)</u>		
Net current assets		<u>2,611,790</u>		<u>5,829,075</u>	
Total assets less current liabilities		<u>74,242,943</u>		<u>82,024,152</u>	
Creditors: amounts falling due after more than one year	10	(68,162,411)	(70,753,340)		
Provisions for liabilities	12	<u>(1,031,794)</u>	<u>(820,570)</u>		
Net assets		<u>5,048,738</u>		<u>10,450,242</u>	
Capital and reserves					
Called up share capital	14	9,000,010	13,113,153		
Profit and loss reserves		<u>(3,951,272)</u>	<u>(2,662,911)</u>		
Total equity		<u>5,048,738</u>		<u>10,450,242</u>	

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

The financial statements were approved by the board of directors and authorised for issue on 8 December 2020 and are signed on its behalf by:



Mr E Wilson
Director

AURA BIDCO MANAGEMENT LIMITED

COMPANY BALANCE SHEET

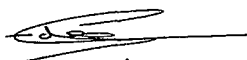
AS AT 31 DECEMBER 2019

		2019		2018 Restated	
	Notes	£	£	£	£
Fixed assets					
Investments	6		3,040,909		3,040,909
Current assets					
Debtors falling due after more than one year	8	470		5,644	
Debtors falling due within one year	8	34,457,420		34,004,086	
Cash at bank and in hand		111,038		111,262	
		<u>34,568,928</u>		<u>34,120,992</u>	
Creditors: amounts falling due within one year	9	<u>(3,813,299)</u>		<u>(904,228)</u>	
Net current assets			<u>30,755,629</u>		<u>33,216,764</u>
Total assets less current liabilities			<u>33,796,538</u>		<u>36,257,673</u>
Creditors: amounts falling due after more than one year	10		<u>(20,000,000)</u>		<u>(20,000,000)</u>
Net assets			<u><u>13,796,538</u></u>		<u><u>16,257,673</u></u>
Capital and reserves					
Called up share capital	14		9,000,000		13,113,153
Profit and loss reserves			4,796,538		3,144,520
Total equity			<u><u>13,796,538</u></u>		<u><u>16,257,673</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,651,993 (2018 - £1,646,007 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 8 December 2020 and are signed on its behalf by:



Mr E Wilson
Director

Company Registration No. 10389311

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Aura Bidco Management Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The address of the registered office is given in the company information page of these financial statements.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

The consolidated financial statements incorporate those of Aura Bidco Management Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Comparatives

Within comparatives, debtors and provision for liabilities have been restated to reflect deferred tax asset and liabilities separately to be consistent with current year presentation. This restatement has no impact on the loss for the year or net liabilities at the year end.

1.3 Going concern

The Group's business activities, together with the factors likely to affect its future development performance and position are set out in the Directors' Report. The Group forecasts and projections, taking into account of reasonably possible changes in trading performances of underlying Special Purpose Entities, show that the Group should be able to operate within the level of its current facility. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is generated from electricity sold to a third party under a Power Purchase Agreement ("PPA") and through the feed in tariff ("FIT") under a UK government scheme associated with electricity generated. It is recognised net of VAT when the electricity is physically exported on an accruals basis. Management fees are recognised net of VAT on an accruals basis.

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years. Provision is made for any impairment.

1.6 Tangible fixed assets

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

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

Wind installation assets 20 years

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

1.7 Fixed asset investments

Investments in subsidiaries are measured at cost less permanent diminution in value.

1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Hedge accounting

The group has entered into variable to fixed rate interest swaps to manage its exposure to interest cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date. To the extent the hedge is effective, movements in fair value are offset by the equal and opposite movement in fair value of the hedged item.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

1.12 Taxation

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

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

1.13 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Where a provision that has been recognised relates to restoring a site at the end of a tangible fixed asset's useful economic life, the cost will be capitalised against the fixed asset.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.14 Leases

Rentals paid under operating leases are charged to the profit and loss on a straight line basis over the period of the leases.

1.15 Interest income

Interest income is recognised in the financial statements using the effective interest method.

1.16 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.17 Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditure for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Carrying value of tangible fixed assets

In determining fixed asset carrying values, management have made a judgement in respect of the useful economic life of wind installation assets. Management decided that the economic benefits will be realised on a straight line basis over 20 years and as such, tangible fixed assets will be depreciated over this period. In making its judgement, management considered the cash flows that will be derived from the Group's tangible fixed assets and the recoverable amount at the end of the 20 year period, including the estimated cost of decommissioning, and are satisfied with the accounting policy.

Decommissioning provision

A provision has been made for future expected costs on the decommissioning of wind installation assets.

This is on the basis of the amount agreed with the landowners or where no such clause is mentioned in the agreement, management considers the value of the provision based on other similar wind installation assets in its portfolio.

Restoration provision

A provision has been made within the financial statements of one of the subsidiaries due to the need to restore connection to the grid as a result of closure of the site through which the connection to the turbine is located. The provision is made on the basis of likely costs to be incurred in determining the best option for reconnection to the grid.

3 Interest payable and similar expenses

	2019	2018
	£	£
Loans from group undertakings	1,398,554	1,400,932
Bank interest payable	2,381,131	2,468,797
	<u>3,779,685</u>	<u>3,869,729</u>

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2019 and 31 December 2019	24,226,722
Amortisation and impairment	
At 1 January 2019	2,523,617
Amortisation charged for the year	1,211,336
At 31 December 2019	3,734,953
Carrying amount	
At 31 December 2019	20,491,769
At 31 December 2018	21,703,105

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

5 Tangible fixed assets

Group	Plant and machinery etc £
Cost	
At 1 January 2019 and 31 December 2019	67,047,412
Depreciation and impairment	
At 1 January 2019	12,555,440
Depreciation charged in the year	3,352,588
At 31 December 2019	15,908,028
Carrying amount	
At 31 December 2019	51,139,384
At 31 December 2018	54,491,972

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

Borrowing costs amounting to £1,296,501 have been included in the cost of tangible fixed assets.

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Fixed asset investments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments	-	-	3,040,909	3,040,909

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Class of shares held	% Held	
		Direct	Indirect
Aura Wind (Back Lane) Limited	Ordinary		100.00
Aura Wind (Boddington) Limited	Ordinary		100.00
Aura Wind (Clonherb) Limited	Ordinary		100.00
Aura Wind (Cowiehill) Limited	Ordinary		100.00
Aura Wind (East Town) Limited	Ordinary		100.00
Aura Wind (Eastertown) Limited	Ordinary		100.00
Aura Wind (Erith) Limited	Ordinary		100.00
Aura Wind (Harrington Parks) Limited	Ordinary		100.00
Aura Wind (High Dyke) Limited	Ordinary		100.00
Aura Wind (Longlands Lane) Limited	Ordinary		100.00
Aura Wind (Low Bowhill) Limited	Ordinary		100.00
Aura Wind (Low Lanrigg) Limited	Ordinary		100.00
Aura Wind (Martinhill East) Limited	Ordinary		100.00
Aura Wind (Melbur) Limited	Ordinary		100.00
Aura Wind (Middleton) Limited	Ordinary		100.00
Aura Wind (Midtown of Glass) Limited	Ordinary		100.00
Aura Wind (Newton of Edingight) Limited	Ordinary		100.00
Aura Wind (North Threave) Limited	Ordinary		100.00
Aura Wind (Pitcairrie) Limited	Ordinary		100.00
Aura Wind (Plasparcau) Limited	Ordinary		100.00
Aura Wind (Prospect House) Limited	Ordinary		100.00
Aura Wind (Prustacott Farm) Limited	Ordinary		100.00
Aura Wind (Samples Farm) Limited	Ordinary		100.00
Aura Wind (Stonehaven) Limited	Ordinary		100.00
Aura Wind (Temple Hill) Limited	Ordinary		100.00
Aura Wind (Midco) Limited	Ordinary		100.00
Aura Wind (Tregony) Limited	Ordinary		100.00
Aura Wind (Treleigh Farm) Limited	Ordinary		100.00
Aura Wind (Wairds of Alpty) Limited	Ordinary		100.00
Aura Wind (Westwood Farm) Limited	Ordinary		100.00
Aura Wind (Holdco) Limited	Ordinary	100.00	
Aura Wind (Badentoul) Limited	Ordinary		100.00
Aura Wind (Bridgend) Limited	Ordinary		100.00

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Subsidiaries

(Continued)

The registered office address of all companies is:

- 1 Windsor House, Bayshill Road, Cheltenham, GL50 3AT

8 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	471,495	376,974	-	-
Amounts owed by group	-	10,000	34,450,611	34,002,204
Other debtors	2,337,825	1,762,093	6,809	1,882
	<u>2,809,320</u>	<u>2,149,067</u>	<u>34,457,420</u>	<u>34,004,086</u>
Amounts falling due after more than one year:				
Trade debtors	2,385,083	2,385,083	-	-
Other debtors	1,683,649	1,498,826	470	5,644
	<u>4,068,732</u>	<u>3,883,909</u>	<u>470</u>	<u>5,644</u>
Deferred tax asset	1,041,235	1,203,384	-	-
	<u>5,109,967</u>	<u>5,087,293</u>	<u>470</u>	<u>5,644</u>
Total debtors	<u>7,919,287</u>	<u>7,236,360</u>	<u>34,457,890</u>	<u>34,009,730</u>

9 Creditors: amounts falling due within one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	2,590,929	2,451,234	-	-
Trade creditors	153,166	306,239	1,359	3,971
Amounts owed to group undertakings	2,918,129	-	2,918,129	-
Corporation tax payable	361,152	361,152	361,152	361,152
Other taxation and social security	56,204	76,055	-	-
Other creditors	790,469	768,603	532,659	539,105
	<u>6,870,049</u>	<u>3,963,283</u>	<u>3,813,299</u>	<u>904,228</u>

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Creditors: amounts falling due after more than one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	48,162,411	50,753,340	-	-
Shareholder Loan	20,000,000	20,000,000	20,000,000	20,000,000
	<u>68,162,411</u>	<u>70,753,340</u>	<u>20,000,000</u>	<u>20,000,000</u>

Group company's have entered into a loan facility agreement with Bayerische Landesbanken with the long term facilities which are repayable in semi-annual instalments with final payment in September 2033. Interest is charged at 1.90% plus LIBOR.

The bank, Bayerische Landesbanken, has a fixed charge over the subsidiary company shares and a floating charge over assets of subsidiary companies as security through the loan facility.

11 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	50,753,340	53,204,574	-	-
Shareholder loan	20,000,000	20,000,000	20,000,000	20,000,000
	<u>70,753,340</u>	<u>73,204,574</u>	<u>20,000,000</u>	<u>20,000,000</u>
Payable within one year	2,590,929	2,451,234	-	-
Loans from parent undertaking	20,000,000	20,000,000	20,000,000	20,000,000
Bank loan account 1-2	2,771,800	2,590,929		
Bank loan account 2-5	9,607,084	9,126,926		
Bank Loan account >5	35,783,527	39,035,485		
	<u></u>	<u></u>	<u></u>	<u></u>

12 Provisions for liabilities

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Decommissioning provision		720,000	720,000	-	-
Restoration provision		120,000	-	-	-
		<u>840,000</u>	<u>720,000</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities	13	191,794	100,570	-	-
		<u>1,031,794</u>	<u>820,570</u>	<u>-</u>	<u>-</u>

The decommissioning provision is the estimated future decommissioning costs at the end of the operating life of the wind turbine assets held by subsidiaries of the Company.

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Deferred taxation

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

	Liabilities 2019 £	Restated Liabilities 2018 £	Assets 2019 £	Restated Assets 2018 £
Group				
Accelerated capital allowances	761,332	382,114	(2,548,560)	(2,639,187)
Tax losses	(563,628)	(278,781)	3,567,736	3,822,899
Timing difference in relation to depreciation of decommissioning provision	(5,910)	(2,763)	22,059	19,672
	<u>191,794</u>	<u>100,570</u>	<u>1,041,235</u>	<u>1,203,384</u>

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
Movements in the year:		
Asset at 1 January 2019	(1,102,814)	-
Charge to profit or loss	253,373	-
Asset at 31 December 2019	<u>(849,441)</u>	<u>-</u>

14 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
9,000,000 (2018: 13,113,153) Ordinary shares of £1 each	<u>9,000,000</u>	<u>13,113,153</u>

During the year, the number of shares was reduced by £4,113,153 to £9,000,000 (2018: £13,113,153).

15 Financial commitments, guarantees and contingent liabilities

The bank has provided a facility to certain subsidiaries of the group in which security has been provided by way of a fixed charge on the credit balance. Amounts contracted for but not provided in the financial statements relate to commitments on future turbine maintenance of £4,221,998 (2018: £4,960,607)

AURA BIDCO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Controlling party

As at 31st December 2019 the Company's immediate parent company was PIP Multi-Strategy Infrastructure (2-5%) LP, registered in England and Wales, registered office 50 Lothian Road, Festival Square, Edinburgh.

The consolidated financial statements of PIP Multi-Strategy (2-5%) LP can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.