PV Crystalox Solar PLC

Annual report
For the 18 months ended
30 June 2021

Company No. 06019466

PV Crystalox Solar PLC
Annual Report for the 18 months ended 30 June 2021

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Company information

Company registration number	06019466
Registered office	Innovation Centre 99 Park Drive Milton Park ABINGDON Oxfordshire OX14 4RY
Director	I A Dorrity J K Sleeman
Company secretary	P J Finnegan
Bankers	National Westminster Bank Plc Thames Valley Corporate Office Abbey Gardens 4 Abbey Street READING RG1 3BA
Solicitors	Norton Rose Fulbright LLP 3 More London Riverside LONDON SE1 2AQ
Independent auditors	Azets Audit Services Chartered Accountants and Statutory Auditors Gladstone House 77-79 High Street EGHAM TW20 9HY

Strategic Report for the 18 months ended 30 June 2021

The directors present their strategic report on the Company for the 18 months ended 30 June 2021. The period end has been changed from 31 December 2020 to 30 June 2021 in order to give shareholders a more representative view of the value of the Company's assets.

Principal activities and review of the business

The Company acts as the holding company of three subsidiary companies (together the **Group**) and is the ultimate holder of the whole of the share capital in these subsidiary companies. It is the immediate parent company of Crystalox Solar Limited and PV Crystalox Solar Silicon GmbH (**PVCSS**) in Germany. Crystalox Solar Limited owns the whole of the share capital in Crystalox Limited.

As communicated to shareholders in June 2021, the Company is seeking to liquidate its assets and return the remaining cash to its shareholders. The largest asset on the balance sheet is the investment in the above-mentioned subsidiary undertakings, the largest of which relates to PVCSS in Germany.

Extremely challenging conditions have persisted in the PV market since 2011 when overcapacity primarily in China caused a collapse in pricing across the value chain. This difficult environment eventually necessitated the Group's exit from the PV industry. Manufacturing ceased at Crystalox Limited in 2017 and the closure of the UK facilities was completed in 2018.

Major restructuring of the German subsidiary was carried out during 2018 when the Board concluded that the transformation of the manufacturing operation to focus on the slicing of ceramics would be preferable to closure and ultimately offered the potential for a favourable outcome for all stakeholders through a sale to a third party or a transfer of the business to the existing management team.

As part of the continuing resolution of the Company's affairs the Board has continued its endeavours to complete the transformation of the manufacturing operation in Germany and to resolve any potential challenge from tax authorities regarding the distribution of payments received under the arbitration settlement in 2018. The Board is pleased to report that the tax

Strategic Report for the 18 months ended 30 June 2021

issue has now been satisfactorily resolved following completion of the tax audit in September 2021 when the tax authorities fundamentally accepted our position. Furthermore, discussions with a potential buyer have been ongoing for several months and there is a reasonable expectation that they may lead to the sale of PVCSS by the end of the year.

The Board had previously explored various options to maximise any value from the listing of the Group's shares on the Official List but was unable to identify any viable opportunities. Following a review of the benefits to, and burdens on, the Company and Shareholders of continuing the Listing, the Board concluded that cancelling the Company's listing on the Official List preceded by a further return of capital would be an appropriate course of action. A further capital return of £2 million was duly completed in September 2020 by way of a Tender Offer following approval at a General Meeting held on 9 September. The Company delisted its ordinary shares from the standard segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities on 29 September 2020.

Shareholders were advised in June 2020 that a cash inflow of €0.8 million was received by Crystalox Limited which related to a historic settlement of a wafer supply contract with a customer which did not fulfil its obligations. Receipts of €9.3 million in aggregate relating to this customer have been collected since in 2014. Final receipts of approximately €0.4 million are anticipated during the next eighteen months with the bulk of the amount expected during H1 2022.

Financial Performance

The Company has reported a loss before tax for the period of £1.276 million. This loss is mainly attributable to the Company's administration costs of £1.304 million which are higher than in 2019 (£0.961 million). However it should be noted that the 2021 figures include redundancy costs of £0.335 million and that the accounting period was 18 months whereas it was 12 months in 2019.

Strategic Report for the 18 months ended 30 June 2021

The Board has implemented several measures which will reduce future administration costs. The UK office has now been closed and the CFO/Company Secretary's role has become part-time with effect from July 2020. Following the delisting Michael Parker has stepped down from the Board and remuneration for the two remaining Directors has been reduced to 40% of 2019 levels.

Notwithstanding Company law requires a group that was listed during the accounting period to prepare audited consolidated financial statements, the Directors consider it is more appropriate to prepare financial statements for shareholders comprising the parent company only as they give a more representative view of the assets and liabilities held and the costs associated with undertaking a group audit are disproportionate to the value obtained. As a consequence, these financial statements are qualified by the auditors although an unmodified opinion is given in relation to the parent company's affairs as at 30 June 2021 and of its loss for the period then ended. The directors present the closing balance sheet on 30 June 2021 as providing the best estimate of the remaining value in the business on that date. The investment in subsidiaries, which is valued at £2.777 million, has been reviewed and is supported by the assets held within the UK and German subsidiaries.

Operating costs are now expected to be significantly reduced with all Directors and employees now working on an average of two days per week and the Company no longer having the costs of maintaining an ongoing public listing.

Principal risks and uncertainties

As a result of the decision to delist from the London Stock Exchange and the directors and secretary agreeing to part-time contracts (average 2 days per week) the Company’s cost levels are greatly reduced.

Liquidity / cashflow risk:
Although the Company continues to hold a significant cash balance, remaining cash outgoings are restricted to those necessary for administrative purposes. Cash held by the Company is kept instantly available in current bank accounts and bank deposit accounts.

Strategic Report for the 18 months ended 30 June 2021

The Company holds its cash in pounds sterling (subsidiary companies have a combination of currencies, accordingly there is some risk associated with foreign exchange rate movements in these companies).

Key performance indicators (KPIs)

PV Crystalox Solar PLC and its Group's operations are managed as one operation. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of PV Crystalox Solar PLC. The sole purpose of the Company and Group is currently to optimise the disposal of its assets and maximise the return to shareholders as soon as all outstanding matters have been finalised and settled.

Going concern / basis of preparation

As part of its normal business practice, the Company regularly prepares both annual and longer-term plans which are based on the director's expectations.

The Company's anticipated remaining running costs are expected to be a relatively small proportion of the remaining cash.

As communicated to shareholders in June 2021, the company is seeking to liquidate its assets and return the remaining cash to its shareholders. The largest asset on the balance sheet is its investment in subsidiary undertakings which primarily relates to PVCSS in Germany. Following the resolution of the tax audit at the German subsidiary since the year end, the directors are now able to actively pursue the sale of PVCSS.

Accordingly, whilst the directors are comfortable that the company is able to meet its debts as they fall due, the financial statements are being prepared on a basis other than going concern.

Strategic Report for the 18 months ended 30 June 2021

Future developments

The Company will focus on preparation for a possible solvent liquidation.

By order of the board

Iain Dorrity

Director

12 November 2021

Director’s Report for the 18 months ended 30 June 2021

The Directors present their report and the audited financial statements of the Company for the 18 months ended 30 June 2021.

Results and dividends

The trading result for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The Company does not propose paying a dividend (2019: Nil). A Capital return of £2million was made by way of a tender offer in September 2020

Strategic Report

The Company is required by the Companies Act 2006 to set out the development and performance of the business of the Company during the financial period ended 30 June 2021 and of the position of the Company at the end of the period and a description of the principal risks and uncertainties facing the Company. The information concerning the Strategic Report can be found on pages 4 - 8.

Post balance sheet events

COVID-19 has had a significant impact globally since March 2020 but there has been no significant impact on the Company.

Research and development

No research and development activities were carried out in the years under review.

Employees

The Company had 2 employees at 30 June 2021 (2 at 31 December 2019).

Director's Report for the 18 months ended 30 June 2021

Directors

The directors who served the Company during the period and up to the date of signing were as follows:

Mr J K Sleeman
Dr I A Dorrity
Mr M D Parker (resigned 9 October 2020)

Statement by the Directors relating to their statutory duties under s172(1) Companies Act 2006

The Board of Directors considers, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the members as a whole (having regard to the stakeholders and the matters set out in s172(1)(a-f) of the Act) in the decisions taken during the 18 months ended 30 June 2021.

- The Company is a holding company currently engaged in the orderly disposal of its subsidiaries and returning monies to shareholders. The Company's success in following this strategy is measurable ultimately in terms of the value arising. To this end:
- The Company and its subsidiaries are dependent upon the loyalty and hard work of their employees and seeks to reward those employees fairly whilst creating an environment that is both safe, secure and rewarding with responsive and trusted leadership.
- The Company's subsidiaries are encouraged to maintain regular and honest contact with customers and suppliers, to understand their needs and to build a partnering approach to business generally for the long term.
- The Company's subsidiaries consider the impact of their operations on their local communities with charitable activities encouraged and supported.
- The Company and its subsidiaries consider the impact of their operations on the environment, with travel minimised and recyclable packaging materials employed where possible.

Director's Report for the 18 months ended 30 June 2021

- The Board's intention, for itself and for its subsidiaries, is to operate responsibly within a governance culture and framework that is appropriate to its nature and size.
- The Board, through its Annual General Meeting and regular announcements to shareholders communicates with members fairly and equally by providing clear and informative information about the Company's business and its investments.

Energy and carbon reporting

As the company has consumed less than 40,000kWh of energy in this reporting period, it qualifies as a low energy user under the regulations and is not required to report on any emissions, energy consumption or energy efficient activities.

Director's indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is in force as at the date of approval of the financial statements. The Company also purchased and maintained throughout the financial year Directors and Officers' liability insurance in respect of itself and its Directors.

Going concern

Going concern is discussed in the Strategic Report which can be found on pages 4 – 8.

Future Developments

The Company will focus on preparation for a possible solvent liquidation.

Disclosure of information to the auditors

The directors who held office at the date of approval of this Director's Report confirms that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Director's Report for the 18 months ended 30 June 2021

Independent auditors

Azets Audit Services has indicated that it is willing to continue in office. A resolution to re-appoint Azets Audit Services as auditors for the ensuing year will be proposed at the AGM.

Statement of director's responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRS") and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

Director's Report for the 18 months ended 30 June 2021

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.

On behalf of the board

Peter Finnegan
Company Secretary
12 November 2021

Independent auditors' report to the members of PV Crystalox Solar PLC

Adverse opinion

We have audited the financial statements of PV Crystalox Solar Plc (the 'parent company') for the period ended 30 June 2021, which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion, because of the significance of the matter described in the basis for adverse opinion section of our report, the group financial statements:

- do not give a true and fair view of the state of the group's affairs as at 30 June 2021 and of the group's profit or loss for the period then ended; and
- have not been properly prepared in accordance with IFRSs as adopted by the UK;
- have not been prepared in accordance with the requirements of the Companies Act 2006.

In our opinion, except for the effects of the matter described in the basis for adverse opinion section of our report, the parent company financial statements:

- give a true and fair view of the state of the parent company's affairs as at 30 June 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for adverse opinion

As more fully explained in note 1 to the financial statements, the parent company has prepared individual accounts and has not consolidated the financial information of any of its subsidiary undertakings. In our opinion, the parent company is required to prepare group accounts in accordance with section 399 of the Companies Act 2006 and to consolidate the financial information of its subsidiary undertakings. Had group accounts been prepared, many elements in the financial statements would be materially affected. The effects on the financial statements of the failure to consolidate has not been determined. Our opinion on the parent company's financial statements is also qualified for this matter as failure to consolidate all subsidiaries is a departure from the requirements of IFRSs as adopted by the UK and the Companies Act 2006. In addition, the directors' report and strategic report do not consider the effects of the failure to consolidate the subsidiaries.

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 group and the parent 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 adverse opinion on the group financial statements and our qualified opinion on the parent company financial statements.

Emphasis of matter – basis of preparation of the financial statements

We draw your attention to note 1 to the financial statements which describes the basis of preparation of the financial statements. As described in note 1, the company is not considered to be a going concern and the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

As described in the basis for adverse opinion section of our report, the parent company has prepared individual accounts and has not consolidated the financial information of any of its subsidiary undertakings. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the annual report affected by the failure to consolidate the financial information of any of the subsidiary undertakings.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for adverse opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the strategic report and the directors' report have not been prepared in accordance with applicable legal requirements.

Except for the effects of the matter described in the basis for adverse opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matter on which we are required to report under the Companies Act 2006

As a result of the matters described in the basis for adverse opinion section of our report, in the light of the knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have identified material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

In respect solely of the matter described in the basis for adverse opinion section of our report:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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

Independent auditors' report to the members of PV Crystalox Solar PLC

- 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.

Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities as set out on page 6, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;

Independent auditors' report to the members of PV Crystalox Solar PLC

- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Paul Creasey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants and Statutory Auditor
Egham

12 November 2021

Statement of Comprehensive Income for the 18 months ended 30 June 2021

(All amounts in £ thousands unless otherwise stated)

	note	**18 Months 2021**	12 Months 2019
Revenue	3	**-**	**-**
Cost of sales		**-**	**-**
Gross profit		**-**	**-**
Administrative expenses		**(1,304)**	**(961)**
Other operating income		**25**	**85**
(Loss) before interest and taxation	4	**(1,279)**	**(876)**
Finance costs		**3**	**(902)**
(Loss) before taxation		**(1,276)**	**(1,778)**
Tax on (loss)	6	**-**	**-**
(Loss) for the financial year		**(1,276)**	**(1,778)**
Other comprehensive income		-	-
Exchange differences on translating foreign operations		-	-
Other comprehensive result, net of tax		(1,276)	(1,778)
Total comprehensive result for the year attributable to equity holders of the parent		(1,276)	(1,778)

The activities of the Company are no longer classed as continuing and the financial statements have been prepared on a basis other than going concern.

Statement of financial position as at 30 June 2021

(All amounts in £ thousands unless otherwise stated)

	Note	June **2021**	December **2019**
Non current assets			
Investments	7	**2,777**	**2,777**
Current assets			
Other receivables	8	**200**	**2,801**
Cash and cash equivalents	9	**279**	**1,083**
		479	**3,884**
Current liabilities			
Creditors and other payables	10	**(56)**	**(136)**
		(56)	**(136)**
Net current (liabilities) / assets		**423**	**3748**
Total assets less current liabilities		**3,200**	**6,525**
Net assets		**3,200**	**6,525**
Capital and reserves			
Called up share capital	11	**110**	**220**
Shares held by EBT		**-**	**(54)**
Share based payment reserve		**-**	**103**
Profit and loss account		**3,090**	**6,256**
Total shareholders' funds		**3,200**	**6,525**

The notes on pages 22 to 30 are an integral part of these financial statements.

The financial statements were authorised for issue by the board on 12 November 2021 and were signed on its behalf by:

Dr I A Dorrity
Director
Company No. 06019466

Statement of changes in equity for the 18 months ended 30 June 2021

(All amounts in £ thousands unless otherwise stated)

	Share capital £'000	Share premium £'000	Other reserves £'000	Shares held by the EBT £'000	Share-based payment reserve £'000	Retained earnings / (accumulated losses) £'000	Total equity £'000
As at 1 January 2019	8,335	30,353	20,896	(244)	134	(12,862)	46,612
Share based payment credit	—	—	—	190	(31)	—	159
Shareholder return	—	—	—	—-	_	(38,468)	(38,468)
Capital reorganisation	(8,115)	—	—	—	—	8,115	—
Capital reorganisation	—	(30,353)	—	—	—	30,353	—
Capital reorganisation	—	—	(20,896)	—	—	20,896	—
Transactions with owners	**(8,115)**	**(30,353)**	**(20,896)**	**190**	**(31)**	**20,896**	**(38,309)**
Loss for the period	—	—	—	—	—	(1,778)	(1,778)
	—	—	—	—	—	—	-
Total comprehensive income	—	—	—	—	—	(1,778)	(1,778)
As at 31 December 2019	220	—	—	(54)	103	6,256	6,525

	Share capital £'000	Share premium £'000	Other reserves £'000	Shares held by the EBT £'000	Share-based payment reserve £'000	Retained earnings / (accumulated losses) £'000	Total equity £'000
As at 1 January 2020	220	-	-	(54)	103	6,256	6,525
	—	—	—	—	—		
Cancellation of shares		—	—	-	-		-
Capital Return	(110)					(1,890)	**(2,000)**
Transactions with owners	(110)	—	—	—	—	(1,890)	(2,000)
Total comprehensive income	-	—	—	54	(103)	(1,276)	(1,325)
As at 30 June 2021	110	-	-	-	-	3,090	3,200

Cash flow statement for the 18 months ended 30 June 2021

(All amounts in £ thousands unless otherwise stated)

Cash flow statement

For the period ended 30 June 2021 (31 December 2019)

	2021 £'000	2019 £'000
(Loss)/profit before taxes	**(1,276)**	(1,778)
Adjustments for:		
Net interest income		—
Depreciation, impairment and amortisation		
Impairment charge	**—**	1,824
Credit/(charge) for share-based payments	**(49)**	(315)
	(1,325)	(269)
Changes in working capital		
Decrease in accounts receivables	**2,601**	27,017
Decrease in accounts payables and deferred income	**(80)**	(473)
	(2,521)	26,544
Income taxes paid	**—**	—
Interest received	**—**	—
Net cash (used in)/generated from operating activities	**1,196**	26,275
Cash flow from financing activities		
Capital return to shareholders	**(2,000)**	(38,468)
EBT participation in capital return	**—**	474
Net cash used in financing activities	**(2,000)**	(37,994)
Cash (used in)/generated from operations	**(804)**	(11,719)
Effects of foreign exchange rate changes on cash and cash equivalents	**—**	—
Cash and cash equivalents at the beginning of the period	**1,083**	12,802
Cash and cash equivalents at the end of the year	**279**	1,083

Reconciliation in movement of net funds	
At 1 January 2020	1,083
Cash flow	(804)
At 30 June 2021	279

Notes to the financial statements
(All amounts in £ thousands unless otherwise stated)

1 – Summary of significant accounting policies

Basis of preparation

PV Crystalox Solar PLC is a public company limited by shares and registered in England and Wales. The registered office is stated on page 3 of these financial statements.

The financial statements of PV Crystalox Solar PLC have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC Interpretations) as adopted by the UK ("UK adopted IFRS") and those parts of the Companies Act 2006 applicable to companies preparing their accounts under UK adopted IFRS.

Following the delisting on 29 September 2020 the financial statements are no longer prepared on the going concern basis and have instead been prepared on a basis other than going concern as it is the Directors intention to liquidate the Company as soon as various outstanding matters have been settled. All assets and liabilities have been classified as current. The Company is in a net asset position of £3.2 million at 30 June 2021.

The preparation of financial statements in conformity with UK adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements comprise only the results for the UK entity due to the planned disposal of the trading subsidiaries described in the Strategic Report and Audit Report and the absence of information for management and audit purposes for the purpose of preparing meaningful consolidated accounts. Consistent accounting policies are applied for like transactions and events in similar circumstances.

As part of the program to liquidate its assets and return the remaining cash to shareholders, the company chose to extend its accounting reference date to 30 June 2021 to give a better understanding of the financial position to its members. The financial statements are for an 18 month period from 1 January 2020 to 30 June 2021. The comparative figures are for the year ended 31 December 2019 may not be entirely comparable.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are expressed in £000.
The principal accounting policies of the company have remained unchanged from the previous year, have been consistently applied throughout the period and are set out below.

New Standards, amendments and IFRIC interpretations

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

In the current period, the company has applied a number of amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2020. These have not had any material impact on the amounts reported for the current period and prior years:

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3: Definition of a Business
- Amendments to IAS 1 and IAS 8: Definition of Material
- Covid-19 Related Rent Concessions (Amendment to IFRS 16).

The following Adopted IFRSs have been issued but have not been applied by the Company in these financial statements, all of which are effective for accounting periods commencing on or after 1 January 2022. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Narrow scope amendments to IFRS 3, IAS 16 and IAS 27
- Annual improvements to IFRS Standards 2018 – 2020
- Amendments to IAS 1: Classification of Liabilities as Current or non-Current

As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

The company had applied UK-adopted IAS. At the date of application, both UK-adopted IAS and EU-adopted IFRS are the same.

Dividends paid

Dividends paid are included in the Company financial statements in the period in which the related dividends are paid.

Fixed asset investments

Investments in subsidiaries are stated at cost less provision for impairment. .

Debtors

Debtors are initially recorded at fair value and subsequently valued at amortised cost, less provisions for impairment. Any change in their value through impairment or reversal of impairment is recognised in the Income Statement net of any advance payment held by the company where a right of offset exists.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement as 'impairment losses'

Notes to the financial statements (continued)
(All amounts in £ thousands unless otherwise stated)

1 – Summary of significant accounting policies (continued)

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Income Statement.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts, should they arise, would be shown within borrowings in current liabilities.

Financial assets

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. All financial assets of the Company are classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less impairment losses. Any change in their value is recognised in the income statement.

Financial liabilities

Financial liabilities include trade and other payables, payables to related parties and interest-bearing loans and borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

Equity

Equity is comprised of the following balances:

- Share capital is the nominal value of the issued share capital of the company.
- Shares held by the EBT is the company's shares held by the EBT in trust for the benefit of employees
  Profit and loss account represents accumulated profits and losses from incorporation.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

2 – Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no longer any other estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 – Revenue

Analysis of revenue by customer location:

	2021	2019
United Kingdom	**-**	**-**
Continental Europe	**-**	**-**
Rest of the world	**-**	**-**
	-	**-**

The Company has no assets or liabilities recognised related to contracts with customers.

4 – (Loss) / profit before interest and taxation

(Loss) / profit before interest and taxation is stated after charging / (crediting):

	2021	2019
Wages and salaries	**597**	**494**
Social security costs	**49**	**69**
Termination costs (including social security)	**335**	**-**
Other pension costs	**56**	**30**
Staff costs	**1,037**	**593**

(Loss) /gain on currency translation	**1**	**62**
Write-down of investment in subsidiary companies	**-**	**(1,250)**
Audit fees payable to the company's auditor	**(11)**	**(77)**

	2021	2019
Interest received	**2**	**40**
Loss/(Gain on currency transactions	**1**	**62**
Write-down of investment in subsidiary companies	**-**	**(1,250)**
EBT adjustment following 2019 return of capital	**-**	**246**
Net Finance income/(costs)	**3**	**(902)**

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

5 – Employees and directors

Employees

The average monthly number of persons (including directors) employed by the company during the period was:

By activity	**2021 No.**	2019 No.
Administration	**3**	**4**
Total	**3**	**4**

Directors

Remuneration in respect of directors was as follows:

	2021	2019
Emoluments receivable (excluding pension contributions)	**444**	**344**
Termination costs	**-**	**-**
Value of company pension contributions	**11**	**19**
	455	**363**

Emoluments of the highest paid director are as follows:

	2021	2019
Total emoluments (excluding pension contributions)	**380**	**234**
Termination costs	**-**	**-**
Value of company pension contributions	**11**	**19**
	391	**253**

During the period one director (2019: 1) participated in money purchase pension schemes.

No share options were exercised during the period (2019: none).

The position of full-time company Secretary was made redundant on 30 June 2020. A new part-time company secretary was employed on the 1 July 2020. The salary for the part-time position (2 days per week) was 2/5ths of that previously paid for the full-time position.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

6 – Tax on (loss) / profit

	2021	2019
Current tax:		
UK Corporation tax based on (loss)/profit for the year		
at 19.00% (2018: 19.00%)	**-**	**-**
Adjustment in respect of prior periods	**-**	**-**
Total Current tax	**-**	**-**
Deferred tax:		
Total deferred tax	**-**	**-**
Income tax expense	**-**	**-**

The standard rate of Corporation tax in the UK has been 19% with effect from 1 April 2017.

	2021	2019
(Loss) / profit before taxation	**(1,276)**	**1,778**
(Loss) / profit before taxation multiplied by standard rate of tax in the UK at 19.00% (2018: 19.00%)	**(242)**	**(338)**
Disallowance income / expenses	**27**	**270**
Deferred tax adjustments / utilisation of previously unrecognised tax losses	**215**	68
Total tax charge	**-**	-

7 – Investments

Shares in subsidiary undertakings

	£'000
Cost and net book value	
Net book value	2,777
Impairment	**-**
At 1 January 2020 and 30 June 2021	**2,777**

The Company carried out an impairment review during the period by considering the investments in each subsidiary separately. It compared the expected future cash flows and balance sheet position of each subsidiary to its net book value. As a result of this review the Company confirmed that no impairment was required in the period (2019: £1.3 million).

At 30 June 2021 the Company held 100% of the allotted ordinary share capital of the following undertakings:

Subsidiary	Country of incorporation	Activity	Proportion held %
Crystalox Solar Limited[1]	United Kingdom	Holding company	100
Crystalox Limited[1]	United Kingdom	Trading company	100*
PV Crystalox Solar Silicon GmbH[2]	Germany	Trading company	100

* Held indirectly through Crystalox Solar Limited.]

Registered addresses:

1. Innovation Centre, 99 Park Drive, Milton Park, Abingdon, Oxfordshire OX14 4RY.
2. Gustav-Tauschek Straße 2, Erfurt, 99099, Germany.

The directors believe that the carrying value (after the impairment discussed above) of the investments is supported by their net realisable value.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

8 –Other receivables

	2021	2019
Other debtors	**-**	**1,014**
Amounts due from group undertakings	**195**	**1,763**
Prepayments and accrued income	**5**	**24**
	200	**2,801**

9 – Cash and cash equivalents

The company has a positive net cash balance at 30 June 2021.

10 – Creditors and other payables

	2021	2019
Amounts owed to group undertakings	**3**	**-**
Accruals	**53**	**136**
	56	**136**

All amounts owed to group undertakings are interest free, unsecured and repayable on demand.

11 – Called up share capital

Allotted, called up and fully paid:

	2021	2019
3,649,045 Ordinary shares of 3.0206p each (2019: 7,285,408 Ordinary shares of 3.0206p each)	**110**	220

On 14 September 2020, 3,363,363 ordinary shares were re-purchased and immediately cancelled for a consideration of £2,000,000.

12 Risk management objectives and policies

The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk, credit and liquidity risk and certain other price risks, which result from both its operating and investing activities. The Company's risk management is coordinated at its headquarters, in close co-operation with the Board of directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

The company does not engage in the trading of financial assets for speculative purposes nor does it write options.

Besides amounts due from subsidiary undertakings, the company is not exposed to credit risk. Credit risk on bank balances is considered negligible since the counter parties are reputable banks with high quality external credit ratings.

Notes to the financial statements (continued)

(All amounts in £ thousands unless otherwise stated)

All creditors and other payables have contractual maturities within 6 months of the accounting reference date.

13 Summary of financial assets and liabilities by category

The carrying amounts of the Company's financial assets and liabilities as recognised at the balance sheet date are considered to approximate to their carrying values. These assets and liabilities may also be categorised as follows:

	Financial assets measured at amortised cost	
	2021	2019
Non current		
Investments in subsidiaries	**2,777**	2,777
Current		
Other receivables	**195**	2,777
Cash and cash equivalents	**279**	1,083
	3,251	**6,637**

	Financial liabilities measured at amortised cost	
	2021	2019
Current		
Trade and other payables	**56**	136
	56	**136**

14. Post balance sheet events

The tax audit at the Company's subsidiary in Germany has been satisfactorily resolved following completion of the German tax authorities' work at PV Crystalox Solar Silicon GmbH when the tax authorities fundamentally accepted our group management's position.

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