

Report of the Directors and
Financial Statements for the Period 1 January 2016 to 31 March 2017
for
Ps Manor Farm Solar Limited

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for the Period 1 January 2016 to 31 March 2017

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Ps Manor Farm Solar Limited

Company Information

for the Period 1 January 2016 to 31 March 2017

DIRECTORS:

Pinecroft Corporate Services Limited
G Shaw

REGISTERED OFFICE:

c/o Foresight Group LLP
The Shard,
London Bridge Street
London
SE1 9SG

REGISTERED NUMBER:

08694630 (England and Wales)

AUDITORS:

BDO LLP
55 Baker Street
London
W1U 7EU

Report of the Directors
for the Period 1 January 2016 to 31 March 2017

The directors present their report with the financial statements of the company for the period 1 January 2016 to 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of development and generation of electricity using solar technology.

DIRECTORS

The directors who have held office during the period from 1 January 2016 to the date of this report are as follows:

A S King III - resigned 28 January 2016

Pinecroft Corporate Services Limited - appointed 28 January 2016

C Rowlings - resigned 25 January 2016

G Shaw - appointed 28 January 2016

M N H Black - appointed 28 January 2016 - resigned 26 September 2016

POLITICAL DONATIONS

The company made no political donations in the period.

GOING CONCERN

The external finance facility is due for repayment on 30 June 2017, which following the completion of discussions on that date with the Lender, it was extended to 31 December 2018 as per the addendum signed. If required Management will assess the Company's position in the future and take further necessary action if needed. Management has a history of being able to refinance portfolio assets and are confident of being able to refinance this loan before the repayment date. Management have therefore assessed the company to be a going concern and the accounts have been prepared on this basis.

SMALL COMPANY EXEMPTION

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

DIVIDENDS

During the year no dividends have been declared or proposed.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DISCLOSURE OF INFORMATION TO AUDITOR

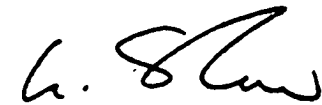
The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

AUDITORS

During the period, BDO LLP were appointed as auditor. Pursuant to section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
G Shaw - Director

Date: 26 September 2017
.....

Report of the Independent Auditors to the Members of
Ps Manor Farm Solar Limited

We have audited the financial statements of Ps Manor Farm Solar Limited for the period ended 31 March 2017 on pages five to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Report of the Directors.

Matters on which we are required to report by exception

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



Marc Resnecké (Senior Statutory

Auditor)

for and on behalf of BDO LLP

55 Baker Street

London

W1U 7EU

Date: 27 Sept 2017

Ps Manor Farm Solar Limited

Statement of Profit or Loss and Other Comprehensive Income
for the Period 1 January 2016 to 31 March 2017

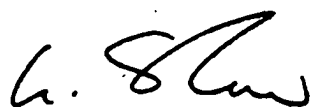
	Notes	Period 1/1/16 to 31/3/17 £	Year Ended 31/12/15 £
CONTINUING OPERATIONS			
Revenue		1,363,258	57,968
Cost of sales		(183,496)	(11,728)
GROSS PROFIT		1,179,762	46,240
Administrative expenses		(1,294,107)	(177,732)
OPERATING LOSS		(114,345)	(131,492)
Finance costs	5	(686,309)	(230,579)
LOSS BEFORE TAX CREDIT/(CHARGE)	6	(800,654)	(362,071)
Tax Credit/(Charge)	7	(357,086)	72,002
LOSS FOR THE PERIOD		(1,157,740)	(290,069)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,157,740)	(290,069)

The notes form part of these financial statements

Statement of Financial Position
31 March 2017

	Notes	31/3/17 £	31/12/15 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,936,343	15,723,402
Trade and other receivables	9	145,700	153,450
Deferred tax	14	-	72,002
		<u>15,082,043</u>	<u>15,948,854</u>
CURRENT ASSETS			
Trade and other receivables	9	357,148	426,296
Cash and cash equivalents	10	1,263,737	1,200,660
		<u>1,620,885</u>	<u>1,626,956</u>
TOTAL ASSETS		<u><u>16,702,928</u></u>	<u><u>17,575,810</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	302,821	302,821
Retained earnings	12	(1,449,809)	(292,069)
TOTAL EQUITY		<u>(1,146,988)</u>	<u>10,752</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	13	16,383,534	-
Deferred tax	14	285,084	-
		<u>16,668,618</u>	<u>-</u>
CURRENT LIABILITIES			
Trade and other payables	13	1,181,298	17,565,058
TOTAL LIABILITIES		<u>17,849,916</u>	<u>17,565,058</u>
TOTAL EQUITY AND LIABILITIES		<u><u>16,702,928</u></u>	<u><u>17,575,810</u></u>

The financial statements were approved by the Board of Directors on 26 September 2017 and were signed on its behalf by:



G Shaw - Director

The notes form part of these financial statements

Ps Manor Farm Solar Limited

Statement of Changes in Equity
for the Period 1 January 2016 to 31 March 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	1	(2,000)	(1,999)
Changes in equity			
Issue of share capital	302,820	-	302,820
Total comprehensive loss	-	(290,069)	(290,069)
Balance at 31 December 2015	<u>302,821</u>	<u>(292,069)</u>	<u>10,752</u>
Changes in equity			
Total comprehensive loss	-	(1,157,740)	(1,157,740)
Balance at 31 March 2017	<u><u>302,821</u></u>	<u><u>(1,449,809)</u></u>	<u><u>(1,146,988)</u></u>

The notes form part of these financial statements

Ps Manor Farm Solar Limited

Statement of Cash Flows

for the Period 1 January 2016 to 31 March 2017

		Period 1/1/16 to 31/3/17 £	Year Ended 31/12/15 £
Cash flows from operating activities			
Cash generated from operations	1	1,423,334	(72,392)
Net cash from operating activities		<u>1,423,334</u>	<u>(72,392)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(15,991,128)
Sale of tangible fixed assets		837	-
Rent Premium		7,750	-
Net cash from investing activities		<u>8,587</u>	<u>(15,991,128)</u>
Cash flows from financing activities			
New loans in year		5,685,452	17,640,937
Loan repayments in year		(6,367,987)	-
Interest paid		(686,309)	(376,757)
Net cash from financing activities		<u>(1,368,844)</u>	<u>17,264,180</u>
Increase in cash and cash equivalents		<u>63,077</u>	<u>1,200,660</u>
Cash and cash equivalents at beginning of period	2	1,200,660	-
Cash and cash equivalents at end of period	2	<u><u>1,263,737</u></u>	<u><u>1,200,660</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Period 1 January 2016 to 31 March 2017

1. RECONCILIATION OF LOSS BEFORE TAX CREDIT/(CHARGE) TO CASH GENERATED FROM OPERATIONS

	Period 1/1/16 to 31/3/17 £	Year Ended 31/12/15 £
Loss before tax credit/(charge)	(800,654)	(362,071)
Depreciation charges	786,222	136,626
Taxation	(357,086)	(72,002)
Finance costs	686,309	230,579
	<hr/>	<hr/>
	314,791	(66,868)
Decrease/(increase) in trade and other receivables	141,150	(121,610)
Increase in trade and other payables	967,393	116,086
	<hr/>	<hr/>
Cash generated from operations	1,423,334	(72,392)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 31 March 2017

	31/3/17 £	1/1/16 £
Cash and cash equivalents:		
Bank Deposit Account	59,973	-
Debt Service Reserve Account	416,123	413,019
EPC Retention	787,641	787,641
	<hr/>	<hr/>
	1,263,737	1,200,660

Period ended 31 December 2015

	31/12/15 £	1/1/15 £
Cash and cash equivalents:		
Bank Deposit Account	-	-
Debt Service Reserve Account	413,019	-
EPC Retention	787,641	-
	<hr/>	<hr/>
	1,200,660	-

The notes form part of these financial statements

1. GENERAL INFORMATION

PS Manor Farm Solar Limited was a company incorporated and domiciled in the United Kingdom. The address of the registered office is Foresight Group LLP, The Shard, London Bridge Street, London, SE1 9SG.

During the period the Company's activity is development and generation of electricity using solar technology on a solar park in Bedford, England.

2. STATUTORY INFORMATION

Ps Manor Farm Solar Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

Basis of preparation

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1 January 2014 for the purposes of the transition to Adopted IFRSs.

The financial year of the company has been extended from 31 December 2016 to 31 March 2017. Therefore, the previous year's figures are not comparable with the current year's figures.

Measurement convention

The financial statements have been prepared under the historical cost convention.

Going concern

The external finance facility is due for repayment on 30 June 2017, which following the completion of discussions on that date with the Lender, it was extended to 31 December 2018 as per the addendum signed. If required Management will assess the Company's position in the future and take further necessary action if needed. Management has a history of being able to refinance portfolio assets and are confident of being able to refinance this loan before the repayment date. Management have therefore assessed the company to be a going concern and the accounts have been prepared on this basis.

Adopted IFRSs not yet applied

The following Adopted IFRSs have been issued but, not being effective for the financial year ended 31 March 2017 have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements.

- Annual improvements to IFRS (2102-2014 Cycle)
- Disclosure initiative: Amendments to IAS 1
- IFRS 9 Financial Instruments (effective date to be confirmed)
- IFRS 15 Revenue from Contracts with Customers (effective date to be confirmed).
- Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38
- IFRS 16 - leases (effective date to be confirmed).

Revenue recognition

Revenue represents income from the generation of energy from the operational solar park during the period. Any income not invoiced is accrued in the period in which it has been generated.

Revenue is stated net of value added tax and is generated entirely within the United Kingdom.

3. ACCOUNTING POLICIES - continued

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs are expensed as incurred as they do not meet the capitalisation criteria under IAS 23, as the construction of the related assets does not require a substantial period of time. Items of property, plant and equipment are depreciated to their estimated residual values on a straight line basis over their expected useful lives as follows:

Solar Photovoltaic (PV) assets - over 25 years - 4% straight line

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking account technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in the income statement.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Liabilities for decommissioning costs are recognised when the company has an obligation to dismantle and remove the solar PV equipment and to restore the land on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements. A corresponding tangible item of property, plant and equipment equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure is added to or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

Impairment of non-financial assets

Carrying value of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

A previously recognised impairment will be revised insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

3. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, accounts payable and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All normal purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell the financial assets.

De-recognition of financial assets and liabilities

A financial asset, or apportion of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The company retains the right to receive the cash flow from the asset, but has assumed an obligation to pay them in full without material delay to a third party under "pass-through" arrangement, or
- The company has transferred the rights to receive cash flows from the asset and either:
 - (i) has transferred substantially all the risks and rewards of ownership of the asset or
 - (ii) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

Trade and other receivables

Trade and other receivables reflected on the balance sheet are net of an allowance for uncollectible amounts.

Financial liabilities

Loans and accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any features meeting the definition of financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

3. ACCOUNTING POLICIES - continued

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. It also includes any adjustments in relation to prior periods.

Provision is made at current rates for deferred tax in respect of all timing differences that have originated but not reversed at the period end. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the net effect of future tax planning strategies.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

3. ACCOUNTING POLICIES - continued

Equity

Equity comprises the following

- "Share capital" represents the nominal value of ordinary equity shares.
- "Retained deficit" include all current results as disclosed in the income statement.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The loan balances represent inter-company loans.

Significant accounting estimates

Estimates and judgments 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.

1. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Useful life and residual value of PPE

The Company reviews the useful life and residual value of its PPE at the balance sheet date and any adjustments are made on a prospective basis. Residual value is estimated taking account technological innovations and asset maintenance programs. The useful life of the PPE is assessed periodically based on the condition of the installation, market conditions and other regulatory requirements. If the estimates of the residual value and/or useful life are revised the amount of depreciation charge recorded in future years will be affected.

b) Impairment of PPE

At balance sheet date, the Company reviews the carrying amount of its PPE to determine if there is any indication that the asset has 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. The recoverable amount is the higher of the fair value of the asset less cost to sell and value in use

When determining the value in use, the discounted future cash flows are based on the agreed rate per KWh times on historical average production output of the installation, less an estimate of operating expenses over the remaining useful life at a WACC rate and a future growth factor.

c) Other estimates

Estimates are also made by management in respect of provisions, claims or contingent liabilities that arise from the underlying operations of the Company. No such items have been identified by management for the period covered by the financial statements up to the date of these financial statements.

4. EMPLOYEES AND DIRECTORS

There were no staff costs for the period ended 31 March 2017 nor for the year ended 31 December 2015.

	Period 1/1/16 to 31/3/17 £	Year Ended 31/12/15 £
Directors' remuneration	-	-
	<u> </u>	<u> </u>

During the year under review the Key Management personnel are considered to be the directors of the company.

5. NET FINANCE COSTS

	31/3/17 £	31/12/15 £
Finance Cost:		
Shareholder Loan Interest	335,726	89,896
Bank Loan Interest	350,583	140,683
	<u>686,309</u>	<u>230,579</u>

6. LOSS BEFORE TAX CREDIT/(CHARGE)

The loss before tax credit/(charge) is stated after charging:

	Period 1/1/16 to 31/3/17 £	Year Ended 31/12/15 £
Depreciation - owned assets	786,222	136,626
Auditors' remuneration	9,500	10,000
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Period 1 January 2016 to 31 March 2017

7. TAX CREDIT/(CHARGE)

Deferred tax asset accumulated on losses:

	31/03/17 £
Losses per financial statements:	(800,654)
Add:	
Depreciation	786,222
Non deductible expenses and adjustments	(9,085)
Less:	
Capital allowances	(1,911,797)
Trading Losses:	(1,935,313)
Losses b/f trading - Utilised	(659,856)
	<hr/>
Taxable Trading profit	(2,595,16)
	<hr/>
Deferred tax asset (taxation 20%) :	519,034
	<hr/>

Deferred tax liabilities:

	31/03/17 £
Cost	15,859,191
Depreciation	(922,847)
Net Book Value (NBV)	14,936,344
	<hr/>
Tax Book Value (TWDV)	13,510,924
NBV - TWDV	1,425,421
	<hr/>
Deferred tax liability (taxation 20%) :	285,084
	<hr/>

The company is not expected to generate future taxable profits against which the net deferred tax assets can be utilised during the next two periods. Therefore, only deferred tax liability is recognised as at 31 March 2017.

8. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £
COST	
At 1 January 2016	15,860,028
Disposals	(837)
	<u>15,859,191</u>
At 31 March 2017	
DEPRECIATION	
At 1 January 2016	136,626
Charge for period	786,222
	<u>922,848</u>
At 31 March 2017	
NET BOOK VALUE	
At 31 March 2017	<u>14,936,343</u>
At 31 December 2015	<u>15,723,402</u>

9. TRADE AND OTHER RECEIVABLES

	31/3/17 £	31/12/15 £
Current:		
Trade debtors	27,730	8,607
Other debtors	219,293	371,343
Intercompany (Note 18)	93,207	-
VAT	16,918	46,346
	<u>357,148</u>	<u>426,296</u>
Non-current:		
Lease payments in advance	<u>145,700</u>	<u>153,450</u>
Aggregate amounts	<u>502,848</u>	<u>579,746</u>

10. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 31 March 2017

	31/3/17 £	1/1/16 £
Cash and cash equivalents:		
Bank Deposit Account	59,973	-
Debt Service Reserve Account	416,123	413,019
EPC Retention	787,641	787,641
	<u>1,263,737</u>	<u>1,200,660</u>

Period ended 31 December 2015

	31/12/15 £	1/1/15 £
Cash and cash equivalents:		
Bank Deposit Account	-	-
Debt Service Reserve Account	413,019	-
EPC Retention	787,641	-
	<u>1,200,660</u>	<u>-</u>

11. CALLED UP SHARE CAPITAL

Share capital movement during the year

	£
Balance at start of the year	<u>302,821</u>
No shares issued during the year	<u>-</u>
Balance at the end of the year	<u>302,821</u>

The shares were issued with full voting, dividend and capital distribution rights. The value of the issued share capital at par.

12. RESERVES

	Retained earnings £
At 1 January 2016	(292,069)
Deficit for the period	<u>(1,157,740)</u>
At 31 March 2017	<u>(1,449,809)</u>

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Notes to the Financial Statements - continued
for the Period 1 January 2016 to 31 March 2017

13. TRADE AND OTHER PAYABLES

	31/3/17 £	31/12/15 £
Current:		
Trade creditors	412,937	34,801
Other creditors	42,100	35,497
Bank Loan Interest	65,569	70,567
Shareholder Loan Interest	302,569	-
Loans: (Note 20)		
Bank Loan	358,123	11,483,256
Intercompany Loan	-	5,940,937
	<u>1,181,298</u>	<u>17,565,058</u>
Non-current:		
Loans: (Note 20)		
Bank Loan	10,698,082	-
Shareholder Loan	5,685,452	-
	<u>16,383,534</u>	<u>-</u>
Aggregate amounts	<u>17,564,832</u>	<u>17,565,058</u>

14. DEFERRED TAX

	31/3/17 £	31/12/15 £
Balance at 1 January	(72,002)	-
Movement of tax	357,086	(72,002)
Balance at period end	<u>285,084</u>	<u>(72,002)</u>

15. OTHER FINANCIAL COMMITMENTS

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

Financial Liabilities	1 year	2 to 5 years	After 5 years
Operating leases	78,437	313,749	1,372,653

Notes to the Financial Statements - continued
for the Period 1 January 2016 to 31 March 2017

16. FINANCIAL INSTRUMENTS

Fair Value category

The Financial assets and liabilities held by the Company for both 31 March 2017 and the 31 December 2015 were categorised under loans and receivable.

Fair value measurement

The fair value of the Financial Assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 31-Mar-2017 £	Carrying Amount 31-Dec-2015 £	Fair Value 31-Mar-2017 £	Fair Value 31-Dec-2015 £
Financial assets:				
Loans and other receivables	357,148	426,296	357,148	426,296
Financial liabilities:				
Liabilities at Amortised cost	17,564,831	17,565,058	17,564,831	17,565,058

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

Trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of the instruments.

17. FINANCIAL RISK MANAGEMENT

The company's principal financial assets and liabilities comprise trade receivables, cash, interest bearing loans and trade payables.

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

- Market risks, commodity price, interest rate, inflation rate risks
- Credit risk
- Liquidity risk

This note represents information about the company's exposure to each of the above risks and the company's objectives, policies and processes for assessing and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The company is not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the company operates.

The company has limited exposure to interest rate risk. The company holds a loan agreement with the interest rate of 0,533% biannual LIBOR plus a 1,80% margin. The company does not intend to hold cash for the purpose of generating interest income. The company does not currently consider it necessary to actively manage interest rate risk. The interest rate risk that the company is exposed to is LIBOR, and the maximum expected rate of LIBOR is around 5%.

The company has to reach at least the following debt ratios biannually:

- Historical Debt Service Cover Ratio must be equal or higher than 1.10
- Forecast Debt Service Cover Ratio must be equal or higher than 1.10
- Loan Life Cover Ratio must be equal or higher than 1.20

b) Credit risk

The company's policy are aimed at minimising losses as a result of counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the company are considered by management to be of appropriate credit rating. At each balance sheet date, the company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date are the carrying value of the credit balances if any. Receivables from PPA is from a large and reputable entity. Management believes credit risks from PPA revenue to be low.

c) Liquidity risk

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

Notes to the Financial Statements - continued
for the Period 1 January 2016 to 31 March 2017

Period ended 31 March 2017

	On demand £	Less then 3 month £	3 to 12 months £	2 to 5 periods £	>5 periods £	Total £
Financial Liabilities						
Trade and other payables	412,936	-	11,163,874	-	-	11,576,810
Owing to group company	-	-	302,569		5,685,452	5,988,021
						<u>17,564,831</u>

Period ended 31 December 2015

	On demand £	Less than 3 month £	3 to 12 months £	2 to 5 periods £	>5 periods £	Total £
Financial Liabilities						
Trade and other payables	34,801	106,064	11,483,256	-	-	11,624,121
Owing to group company	-	-	-	-	5,940,937	5,940,937
						<u>17,565,058</u>

d) Capital management

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

18. RELATED PARTY DISCLOSURE

At the period end the company owed a long-term loan of £5,685,452 to Blue Sky Solar Limited, a parent company. Interest payable is calculated at a flat rate of 5% and amounted to £335,726 during the reported period; the amount of £302,569 was outstanding at the end of the year.

During the period, Blue Sky Solar Limited charged two invoices to PS Manor Farm Solar Limited for an amount of £234,556 in relation to asset management fees, which were outstanding at the end of the year.

Blue Sky Solar Limited owed The Company £93,207 as at 31 March 2017 for short term working capital loans.

19. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Blue Sky Solar Limited.

Notes to the Financial Statements - continued
for the Period 1 January 2016 to 31 March 2017

20. LOANS

On 22 September 2015, the company signed a loan agreement with Bayern LB (Germany) for £11,700,000 before costs, and the rate of interest was LIBOR plus a 1,8% margin. The loan agreement was extended twice on 21 December 2016 until 30 June 2017 and on 30 June 2017 until 31 December 2018 (See note 21).

At the year's end, the outstanding amount to amortize was £11,272,950, with an interest rate of 0,533% biannual LIBOR plus a 1,80% margin. The 10,25% will be repaid in three instalments (one instalment every 6 months), commencing on 30th June 2017, and the 89,75% will be repaid on 31 December 2018.

At 31 December 2016, the company signed the compliance certificate where it confirms that it was in compliance with the debt covenants (See note 17).

A long-term intercompany loan of £5,685,452 was provided on demand at an interest rate at 5%.

	31/3/17 £	31/12/15 £
Outstanding Loan		
Current:		
Bank Loan	358,123	11,483,256
Intercomapny Loan	-	5,940,397
Non-Current:		
Bank Loan	10,698,082	-
Shareholder Loan	5,685,452	-
	<u>16,741,657</u>	<u>17,423,653</u>

21. SUBSEQUENT EVENTS

After 31 March 2017, but prior to the date of this report, the company extended the loan agreement with Bayer LB until 31 December 2018.