Report of the Directors and

Financial Statements for the Year Ended 31 March 2018

for

Ps Manor Farm Solar Limited

Ps Manor Farm Solar Limited

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Ps Manor Farm Solar Limited

Company Information
for the Year Ended 31 March 2018

DIRECTORS:	Pinecroft Corporate Services Limited G E Shaw
REGISTERED OFFICE:	The Shard C/o Foresight Group LLP 32 London Bridge Street London SE1 9SG
REGISTERED NUMBER:	08694630 (England and Wales)
AUDITORS:	BDO LLP

Report of the Directors
for the Year Ended 31 March 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

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

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

Pinecroft Corporate Services Limited
G E Shaw

POLITICAL DONATIONS
The company made no political donations in the period.

GOING CONCERN
The external finance facility is due for repayment on 31 December 2018. 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 E Shaw - Director

Date: .....27/09/2018............................

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

Opinion
We have audited the financial statements of Ps Manor Farm Solar Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its loss for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' 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 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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our 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 at the Financial Reporting Council's website at:
https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, 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.

BDO LLP

Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date: 27/9/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ps Manor Farm Solar Limited

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 March 2018

	Notes	Year Ended 31.3.18 £	Period 1.1.16 to 31.3.17 £
CONTINUING OPERATIONS			
Revenue		1,311,182	1,363,258
Cost of sales		(255,544)	(183,496)
GROSS PROFIT		1,055,638	1,179,762
Administrative expenses		(1,203,399)	(1,384,285)
OPERATING LOSS		(147,761)	(204,523)
Finance costs	5	(553,049)	(686,309)
LOSS BEFORE TAX	6	(700,810)	(890,832)
Tax Credit/(Charge)	7	-	(72,002)
LOSS FOR THE YEAR		(700,810)	(962,834)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(700,810)	(962,834)

The notes form part of these financial statements

Statement of Financial Position
31 March 2018

	Notes	31.3.18 £	31.3.17 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,302,018	14,936,343
Trade and other receivables	9	142,600	145,700
		14,444,618	15,082,043
CURRENT ASSETS			
Trade and other receivables	9	310,966	357,148
Cash and cash equivalents	10	1,510,695	1,263,737
		1,821,661	1,620,885
TOTAL ASSETS		16,266,279	16,702,928
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	302,821	302,821
Retained earnings	12	(1,955,713)	(1,254,903)
TOTAL EQUITY		(1,652,892)	(952,082)
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	13	6,685,451	16,473,712
CURRENT LIABILITIES			
Trade and other payables	13	11,233,720	1,181,298
TOTAL LIABILITIES		17,919,171	17,655,010
TOTAL EQUITY AND LIABILITIES		16,266,279	16,702,928

The financial statements were approved by the Board of Directors on ....27/09/2018...................... and were signed on its behalf by:

....

G E Shaw - Director

The notes form part of these financial statements

Ps Manor Farm Solar Limited

Statement of Changes in Equity for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	302,821	(292,069)	10,752
Changes in equity			
Total comprehensive loss	-	(962,834)	(962,834)
Balance at 31 March 2017	302,821	(1,254,903)	(952,082)
Changes in equity			
Total comprehensive loss	-	(700,810)	(700,810)
Balance at 31 March 2018	302,821	(1,955,713)	(1,652,892)

The notes form part of these financial statements

Ps Manor Farm Solar Limited

Statement of Cash Flows
for the Year Ended 31 March 2018

	Notes	Year Ended 31.3.18 £	Period 1.1.16 to 31.3.17 £
Cash flows from operating activities			
Cash generated from operations	1	526,895	1,423,334
Net cash from operating activities		526,895	1,423,334
Cash flows from investing activities			
Sale of tangible fixed assets		-	837
Rent Premium		-	7,750
Net cash from investing activities		-	8,587
Cash flows from financing activities			
New loans in year		1,000,000	5,685,452
Loan repayments in year		(1,016,893)	(6,367,987)
Interest paid		(263,044)	(686,309)
Net cash from financing activities		(279,937)	(1,368,844)
Increase in cash and cash equivalents		246,958	63,077
Cash and cash equivalents at beginning of year	2	1,263,737	1,200,660
Cash and cash equivalents at end of year	2	1,510,695	1,263,737

The notes form part of these financial statements

Ps Manor Farm Solar Limited

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2018

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

	Year Ended 31.3.18 £	Period 1.1.16 to 31.3.17 £
Loss before tax credit/(charge)	(700,810)	(890,832)
Depreciation charges	634,325	786,222
Taxation	-	(357,086)
Finance costs	263,044	686,309
	196,559	224,613
Decrease in trade and other receivables	49,282	141,150
Increase in trade and other payables	281,054	1,057,571
Cash generated from operations	526,895	1,423,334

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:

Year ended 31 March 2018

	31.3.18 £	1.4.17 £
Cash and cash equivalents	1,510,695	1,263,737

Period ended 31 March 2017

	31.3.17 £	1.1.16 £
Cash and cash equivalents	1,263,737	1,200,660

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.

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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 previous financial year of the company was 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 31 December 2018. Management has a history of refinancing portfolio assets and are confident of refinancing this loan before the repayment date as there are a range of refinancing options available. 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

As of 1 January 2018, IFRS 9 - Financial Instruments, and IFRS 15 - Revenue from Contracts, became effective for periods beginning on or after 1 January 2018.

IFRS 9 "Financial instruments" addresses the classification and measurement of financial assets and financial liabilities. The changes to IFRS 9 with respect to recognising expected credit losses for receivables are not anticipated to have a material impact to the financial statements upon adoption of this standard

IFRS 15 is intended to introduce a single framework for revenue recognition and clarify principles of revenue recognition. The accounting policy currently applied by the Company in respect of revenue recognition is not expected to change once this new standard has become effective.

As of the date of authorisation of these financial statements, IFRS 16 - Leases, was in issue but not effective and has not been applied to these financial statements. This is effective for periods beginning on or after 1 January 2019

IFRS 16 will require the recognition of a right to use asset and lease liability with respect to the operating lease commitments that the Company have. Management expect that there will be a material impact on the financial statements. The Group does not at this time anticipate voluntary early adoption of IFRS 16.

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With the exception of IFRS 16, the impact of these standards and interpretations will be reflected in the Financial statements to be released in respect of the financial year ending 31 March 2019.

New standards, interpretations and amendment effective from 1 January 2017

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2017 that had a significant effect in the Group's financial statements, although an amendment to IAS 7 Statement of Cash Flows has resulted in a reconciliation of liabilities disclosed for the first time in note 20.

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.

continued...

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.

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3. **ACCOUNTING POLICIES - continued**

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.

continued...

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.

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3. **ACCOUNTING POLICIES - continued**

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.

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.

continued...

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 instalation, 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

continued...

3. **ACCOUNTING POLICIES - continued**

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 year ended 31 March 2018 nor for the period ended 31 March 2017.

	Year Ended 31.3.18 £	Period 1.1.16 to 31.3.17 £
Directors' remuneration	-	-

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

5. **NET FINANCE COSTS**

	31.3.18 £	31.3.17 £
Finance Cost:		
Shareholder Loan Interest	298,108	335,726
Bank Loan Interest	254,941	350,583
	553,049	686,309

continued...

6. LOSS BEFORE TAX CREDIT/(CHARGE)

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

	Year Ended 31.3.18	Period 1.1.16 to 31.3.17
	£	£
Depreciation - owned assets	634,325	786,222
Auditors' remuneration	5,080	9,500

continued...

7. TAX CREDIT/(CHARGE)

Deferred tax asset accumulated on losses:

No deferred tax was recognised as the company has the right to set off deferred tax balances. The net deferred tax asset has not been recognised as the company is not expected to generate future taxable profits against which the deferred tax asset can be utilised in the foreseeable future.

The company has unrecognised tax losses of approximately £2,751,834 (2017: £2,685,349) to carry forward against future taxable profits.

Taxation on Profits on ordinary Activities:

	Year Ended: 31/03/2018	Year Ended: 31/03/2017
UK Corporation Taxation	-	-
Movements on deferred tax	-	(72,000)
Total Taxation Charge	**-**	**(72,000)**

The tax assessment for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

Total Comprehensive loss for the year	(700,810)	(890,832)
Tax at 19% (2016/17: 19.77%)	(133,154)	(176,117)
Reversal of prior period deferred tax asset	-	(72,000)
Deferred tax assets not recognised	1,885	95,006
Capital allowances in excess of depreciation	131,269	225,115
Total current taxation	**-**	**72,002**

continued...

8. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £
COST	
At 1 April 2017	
and 31 March 2018	15,859,191
DEPRECIATION	
At 1 April 2017	922,848
Charge for year	634,325
At 31 March 2018	1,557,173
NET BOOK VALUE	
At 31 March 2018	14,302,018
At 31 March 2017	14,936,343

9. TRADE AND OTHER RECEIVABLES

	31.3.18 £	31.3.17 £
Current:		
Trade debtors	100,653	27,730
Other debtors	210,313	219,293
Intercompany (Note 18)	-	93,207
VAT	-	16,918
	310,966	357,148
Non-current:		
Lease	142,600	145,700
Aggregate amounts	453,566	502,848

continued...

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 2018

	31/3/18	31/3/17
	£	£
Cash and cash equivalents:		
Bank Deposit Account	77,933	59,973
	77,933	59,973
Restricted Cash or Cash Equivalents:		
Debt Service Reserve Account	645,121	416,123
EPC Retention	787,641	787,641
	1,432,762	1,203,764
	1,510,695	1,263,737

Period ended 31 March 2017

	31/3/17	31/3/16
	£	£
Cash and cash equivalents:		
Bank Deposit Account	59,973	-
	59,973	-
Restricted Cash or Cash Equivalents:		
Debt Service Reserve Account	416,973	413,019
EPC Retention	787,641	787,641
	1,203,764	1,200,660
	1,263,737	1,200,660

continued...

The restricted cash is not available to the company for immediate or general business use. It is held in connection with the current loan with Bayerische, which requires that the company is able to pay loan repayments on a quarterly basis.

11. CALLED UP SHARE CAPITAL

Share capital movement during the year

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

The shares were issued with full voting, dividend and capital distribution rights. The value of the issued share capital at PAR £1.00.

12. RESERVES

	Retained earnings £
At 1 April 2017	(1,254,903)
Deficit for the year	(700,810)
At 31 March 2018	(1,955,713)

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

continued...

13. TRADE AND OTHER PAYABLES

	31.3.18	31.3.17
	£	£
Current:		
Trade creditors	456,787	412,937
Other creditors - Accruals	80,705	42,100
Bank Loan Interest	57,466	65,569
Shareholder Loan Interest	507,470	302,569
Loans: (Note 20)		
Bank Loan	10,129,490	358,123
VAT	1,801	-
	11,233,719	1,181.297
Non-current:		
Loans: (Note 20)		
Bank Loan	-	10,788,260
Shareholder Loan	6,685,452	5,685,452
	6,685,452	16,473,712
Aggregate amounts	17,919,170	17,655,010

14. 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	83,225	336,015	1,407,062

This being for the lease of the land at which the solar farm is located. The tenant must pay the annual rent without any deductions, withholding or set off and any VAT on it, to the landlord in each year of the term by four equal instalments in advance on the rent payment dates the first instalment being a proportionate payment from the date of this lease to the next rent payment date to be made on the date of this lease. A rent review shall be carried out on the anniversary of the commencement date until the end of the term, using the RPI.

continued...

15. FINANCIAL INSTRUMENTS

Fair Value category
The Financial assets and liabilities held by the Company for both 31 March 2018 and the 31 March 2017 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-18	Carrying Amount 31-Mar-17	Fair Value 31-Mar-18	Fair Value 31-Mar-17
	£	£	£	£
Financial assets:				
Loans and other receivables	378,657	310,901	378,657	310,901
Financial liabilities:				
Liabilities at Amortised cost	17,917,371	17,655,010	17,917,371	17,655,010

The fair value of financial assets and liabilities is including 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.

continued...

16. 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:

These ratios are are the lock-up level, i.e. the minimum ratio for us to be authorized to distribute. The default level is 1.05x for the Historical DSCR.

For the 12 months period ending 30th June 2018, our ratios were above the lock-up level:
- the Forecast Debt Service Cover Ratio was 1.34;
- the Historical Debt Service Cover Ratio was 1.23; and
- the Loan Life Cover Ratio was 1.34.

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.

 continued...

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.

continued...

Period ended 31 March 2018

Financial Liabilities	On demand £	Less then 3 month £	3 to 12 months £	>5 periods £	Total £
Trade and other payables	456,787	-	10,269,462	-	10,726,249
Owing to group company	-	-	507,470	6,685,452	7,192,922
					17,919,171

Period ended 31 March 2017

Financial Liabilities	On demand £	Less then 3 month £	3 to 12 months £	>5 periods £	Total £
Trade and other payables	412,936	-	11,254,053	-	11,666,988
Owing to group company	-	-	302,569	5,685,452	5,988,021
					17,655,010

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.

continued...

17. RELATED PARTY DISCLOSURE

At the period end the company owed a long-term loan of £6,685,452 to Blue Sky Solar Limited, a parent company. Interest payable is calculated at a flat rate of 5% and amounted to £298,108 during the reported period; the amount of £507,470 was outstanding at the end of the year.

During the period, Blue Sky Solar Limited charged invoices to PS Manor Farm Solar Limited for an amount of £199,100 in relation to asset management fees, which were outstanding at the end of the year.

18. ULTIMATE CONTROLLING PARTY

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

19. 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 £10,129,490, with an interest rate of 0,533% biannual LIBOR plus a 1,80% margin. The 10,25% was to be repaid in three instalments (one instalment every 6 months), commencing on 30th June 2017, two of which have now been paid and one payment remains on the 30th June 2018. The 89,75% will be repaid on 31 December 2018.

At 2 August 2018, the company signed the compliance certificate where it confirms that it was in compliance with the debt covenants.

A long-term intercompany loan of £6,685,452 was provided on demand at an interest rate at 5%.

Outstanding Loan	31.3.18 £	31.3.17 £
Current:		
Bank Loan	10,129,490	358,123
Intercompany Loan	-	-
Non-Current:		
Bank Loan	-	10,788,260
Shareholder Loan	6,685,452	5,685,452
	16,814,942	16,831,835

continued...

Ps Manor Farm Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

20. NOTES SUPPORTING STATEMENT OF CASH FLOWS

Adjustment to IAS 7.

	Non-Current Loans & Borrowings	Current Loans & Borrowings	Total
As at 1 April 2017	(16,473,712)	(358,123)	**(16,831,835)**
New loans during the period	(1,000,000)	-	**(1,000,000)**
Loan repayments during the period	1,016,892	-	**1,016,892**
Loans & borrowings classified as Non-Current at 31 March 2017 becoming current between Apr 17 - Mar 18	9,771,367	(9,771,367)	-
As at 31 March 2018	**(6,685,453)**	**(10,129,490)**	**(16,814,943)**
Interest accruing in the period	(298,108)	(254.941)	**(553,050)**
As at 31 March 2018 (with interest)	**(6,983,561)**	**(10,384,431)**	**(17,367,993)**

Ps Manor Farm Solar Limited

Income Statement Summaries
for the Year Ended 31 March 2018

	Year Ended 31.3.18 £	Period 1.1.16 to 31.3.17 £
REVENUE		
Sales	1,311,182	1,363,258
	1,311,182	1,363,258
COST OF SALES		
O&M	215,664	138,920
Import & Duos charges	38,476	41,685
Metering costs	1,404	2,891
	255,544	183,496
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	82,072	105,981
Rates and water	46,174	75,130
Insurance	10,211	13,087
Monitoring	900	12,562
Depreciation of tangible fixed assets		
Plant and machinery	634,325	786,222
Administrative expenses		
Sundry expenses	(10,687)	(8,697)
Accountancy	79,433	19,427
Legal fees	28,617	45,555
Auditors' remuneration	5,080	9,500
Admin extra 1		
Arrangement & Asset mgmt fees	327,032	324,734
Finance costs		
Bank charges	242	784
	1,203,399	1,384,285
FINANCE COSTS		
Interest	553,049	686,309
	553,049	686,309

This page does not form part of the statutory financial statements