

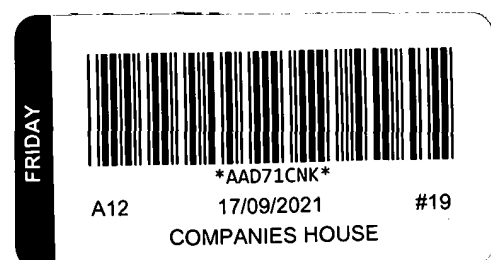
SECOND GENERATION SAWMILLS LIMITED

Report of the Directors and Unaudited Financial Statements

Period of accounts

Start date: 01 April 2020

End date: 31 December 2020



SECOND GENERATION SAWMILLS LIMITED
Contents Page
For the period ended 31 December 2020

Company information	3
Directors' report	4
Income statement	6
Statement of financial position	7
Notes to the financial statements	9

SECOND GENERATION SAWMILLS LIMITED

Company Information

For the period ended 31 December 2020

Directors	Graham Ernest Shaw Pinecroft Corporate Services Limited
Registered Number	09119000
Registered Office	Second Floor Hanover House 47 Corn Street Bristol BS1 1HT

SECOND GENERATION SAWMILLS LIMITED
Directors' Report
For the period ended 31 December 2020

The directors present their annual report and the financial statements for the year ended 31 December 2020.

Principal activities

Principal activity of the company during the financial period was the generation and sale of electricity.

Directors

The directors who served the company throughout the period were as follows:

Graham Ernest Shaw

Pinecroft Corporate Services Limited

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations and in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102). 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 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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

SECOND GENERATION SAWMILLS LIMITED
Directors' Report
For the period ended 31 December 2020

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G Shaw', written over a horizontal dashed line.

Graham Ernest Shaw
Director

Date approved: 17 September 2021

SECOND GENERATION SAWMILLS LIMITED
Income Statement
For the period ended 31 December 2020

	Notes	31/12/2020 £	31/03/2020 £
Turnover		780,799	962,150
Gross Profit/(Loss)		780,799	962,150
Administrative expenses		(372,547)	(446,370)
Operating profit	2	408,252	515,780
Interest payable and similar charges	3	(468,937)	(626,390)
Profit/(Loss) on ordinary activities before taxation		(60,685)	(110,610)
Tax on profit on ordinary activities		0	0
Profit/(Loss) for the financial period		(60,685)	(110,610)

SECOND GENERATION SAWMILLS LIMITED
Statement of Financial Position
As at 31 December 2020

	Notes	31/12/2020 £	31/03/2020 £
Fixed assets			
Tangible fixed assets	4	5,702,102	5,926,202
		<u>5,702,102</u>	<u>5,926,202</u>
Current assets			
Debtors: amounts falling due within one year	5	162,554	204,245
Debtors: amounts falling due after one year	6	1	1
Cash at bank and in hand		267,959	58,083
		<u>430,514</u>	<u>262,329</u>
Creditors: amount falling due within one year	7	(51,975)	(70,412)
Net current assets		<u>378,539</u>	<u>191,917</u>
Total assets less current liabilities		6,080,641	6,118,119
Creditors: amount falling due after more than one year	8	(6,780,989)	(6,757,782)
Net liabilities		<u>(700,348)</u>	<u>(639,663)</u>
Capital and reserves			
Called up share capital	9	726,959	726,959
Profit and loss account	10	(1,427,307)	(1,366,622)
Shareholders funds		<u>(700,348)</u>	<u>(639,663)</u>

For the period ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the companies act 2006 relating to small companies.

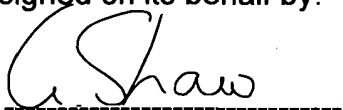
Directors' responsibilities:

1. The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476.
2. The directors acknowledge their responsibilities for complying with the requirements of the companies act 2006 with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of Part 15 of the Companies Act 2006.

SECOND GENERATION SAWMILLS LIMITED
Statement of Financial Position
As at 31 December 2020

The financial statements were approved by the board of directors on 17 September 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G. Shaw', is written over a horizontal dashed line.

Graham Ernest Shaw
Director

SECOND GENERATION SAWMILLS LIMITED

Notes to the Financial Statements

For the period ended 31 December 2020

General Information

Second Generation Sawmills Limited is a private company, limited by shares, registered in England and Wales, registration number 09119000, registration address Second Floor Hanover House, 47 Corn Street, Bristol, BS1 1HT

The presentation currency is £ sterling.

1. Accounting policies

Significant accounting policies

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

Change in accounting period

On the 7th October 2020 the company changed their year end from 31 March to 31 December. The reason for this change is to align the year end with the ultimate holding company, Foresight Solar Fund Limited. As a result, the comparative figures stated in the statement of comprehensive income, statement of financial position, and the related notes are not directly comparable.

Going concern basis

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of electricity and the receipt of payments related to the production of electricity (such as renewable obligation certificates, feed-in tariffs and other benefits).

Revenue is recognised in the month that the electricity is generated, based on actual prices achieved with the exception of certain irregular other benefits (such as Triad payments) which are recognised on receipt of payment.

ROC Recycling Income - The directors have accrued for ROC Recycling income based on a price of £5.01 per ROC (10% of ROC Buy-out). This is based on the directors' best estimate of what the income receivable is likely to be.

SECOND GENERATION SAWMILLS LIMITED
Notes to the Financial Statements
For the period ended 31 December 2020

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of tangibles less their residual values over their estimated useful lives (25 years), based on the total expected revenues to be generated over the life of the asset. The project is expected to generate electricity for 25 years; related leases are for 26 years (to allow for decommissioning) and for the first 19 years there is guaranteed income in the form of renewable obligation certificates payments.

If there is an indication that there has been a significant change in depreciation rate or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2. Operating Profit/(Loss)

	31/12/2020 £	31/03/2020 £
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	224,100	298,800

3. Interest payable and similar charges

	31/12/2020 £	31/03/2020 £
Interest Payable to Group Undertakings	468,937	626,390
	<u>468,937</u>	<u>626,390</u>

SECOND GENERATION SAWMILLS LIMITED
Notes to the Financial Statements
For the period ended 31 December 2020

4. Tangible fixed assets

Cost or valuation	Plant and Machinery	Total
	£	£
At 01 April 2020	7,242,043	7,242,043
Additions	-	-
Disposals	-	-
At 31 December 2020	7,242,043	7,242,043
Depreciation		
At 01 April 2020	1,315,841	1,315,841
Charge for period	224,100	224,100
On disposals	-	-
At 31 December 2020	1,539,941	1,539,941
Net book values		
Closing balance as at 31 December 2020	5,702,102	5,702,102
Opening balance as at 01 April 2020	5,926,202	5,926,202

5. Debtors: amounts falling due within one year

	31/12/2020	31/03/2020
	£	£
Trade Debtors	62,328	32,536
Prepayments	5,465	11,808
Accrued Income	94,761	159,901
	162,554	204,245

6. Debtors: amounts falling due after one year

	31/12/2020	31/03/2020
	£	£
Called Up Share Capital Not Paid	1	1
	1	1

SECOND GENERATION SAWMILLS LIMITED
Notes to the Financial Statements
For the period ended 31 December 2020

7. Creditors: amount falling due within one year

	31/12/2020	31/03/2020
	£	£
Trade Creditors	13,762	17,190
Accrued Expenses	29,298	24,731
Other Creditors	0	22,497
VAT	8,915	5,994
	<u>51,975</u>	<u>70,412</u>

8. Creditors: amount falling due after more than one year

	31/12/2020	31/03/2020
	£	£
Amounts Owed to Group Undertakings	6,780,989	6,757,782
	<u>6,780,989</u>	<u>6,757,782</u>

9. Share Capital

Allotted, called up and fully paid	31/12/2020	31/03/2020
	£	£
726,959 Class A shares of £1.00 each	726,959	726,959
	<u>726,959</u>	<u>726,959</u>

10. Profit and loss account

	31/12/2020
	£
Balance at 01 April 2020	(1,366,622)
Loss for the period	(60,685)
Balance at 31 December 2020	<u>(1,427,307)</u>

11. Related parties

During the year the company entered into the following transactions with related parties:

	Transaction value -		Balance owed by/(owed to)	
	income/(expenses)			
	31/12/2020	31/03/2020	31/12/2020	31/03/2020
	£	£	£	£
Second Generation Portfolio 1 Limited	(468,937)	(626,390)	(6,780,989)	(6,780,279)

SECOND GENERATION SAWMILLS LIMITED
Notes to the Financial Statements
For the period ended 31 December 2020

12. Controlling Party

The ultimate controlling party of the group is Foresight Solar Fund Limited.