

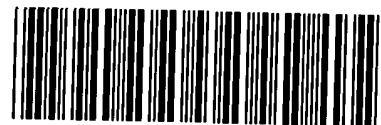
SN12 6EF Limited

Report and Financial Statements

Year Ended 31 March 2017

Company Number: 09245781

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SN12 6EF Limited

Report and Financial Statements for the year ended 31 March 2017

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SN12 6EF Limited

**Report and Financial Statements for the
year ended 31 March 2017**

Company Information

Directors

W R Cann
P Lambert
T G Redpath
M E Thistlethwayte

Registered office

20 Jewry Street
Winchester
Hampshire
SO23 8RZ

Company number

09245781

Auditors

BDO LLP
Arcadia House
Maritime Walk
Southampton
SO14 3TL

SN12 6EF Limited

Report of the Directors for the year ended 31 March 2017

The directors present their report together with the audited financial statements for the year ended 31 March 2017.

Results

The consolidated statement of comprehensive income is set out on page 9 and shows the loss for the year.

Principal activities, review of business and future developments

The company's principal activity is electricity generation, through owning and operating a ground mounted solar photovoltaic installation, which results in income from the sale of electricity and government energy subsidies.

Operating cash flow

These statutory accounts show the financial position of the company under current accounting standards (FRS102). The accounts show a loss of £255k over the year to 31 March 2017 and the directors believe the investors will appreciate the following information:

- The company owns and operates a long term asset that will generate revenues over a 25 year period.
- The revenue for the year was £1,385k, however, we have been obliged to offset:

Depreciation

This has been calculated on a straight line basis over the 25 year life of the asset, rather than increasing in line with expected increases in revenue.

Amortisation of loan issue costs

We are amortising all of the upfront costs associated with the raising of bank debt over a three year period to match the initial term of the debt.

Interest

Due to the repayment profile of the company's debt facilities, the interest cost is much higher in the early years when the debt levels are higher, rather than the later years once debt has been reduced.

- Overall the site is operating at a level consistent with, the expected levels of electricity generation and is broadly consistent with the company's original financial forecasts.

The table below gives an indication of the level of cash generated within the business to fund working capital, interest payments and repayment of debt capital:

	£'000
Loss on ordinary activities before taxation	(255)
Add back interest	
On bank loans	476
Amortisation of bank loan issue costs	199
Add back depreciation	514
Earnings before interest, tax, depreciation & amortisation	934

Given the level of cash being generated by the company, the directors are confident that the company will continue to be able to meet its liabilities as they fall due over the next twelve months.

SN12 6EF Limited

Report of the Directors for the year ended 31 March 2017 (*continued*)

Directors

The directors of the company during the year were:

W R Cann
P Lambert
T G Redpath
M E Thistlethwayte

Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Approval

This Directors' Report was approved by order of the Board on *14 September 2017*.



P Lambert
Director

SN12 6EF Limited

Statement of directors' responsibilities

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

SN12 6EF Limited

Independent Auditors report to the members of SN12 6EF Limited

We have audited the financial statements of SN12 6EF Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC'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 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

SN12 6EF Limited

Independent Auditors report *(continued)*

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 directors' report.

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

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



Kim H Hayward (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom

14 September, 2017

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

SN12 6EF Limited

Statement of comprehensive income for the year ended 31 March 2017

Co no: 9245781

	Note	2017 £	2016 £
Turnover	3	1,384,813	1,467,297
Administrative expenses		(965,862)	(946,864)
Operating profit	4	418,951	520,433
Interest receivable and similar income		788	2,075
Interest payable and similar charges	6	(674,987)	(703,787)
Loss on ordinary activities before taxation		(255,248)	(181,279)
Taxation on loss on ordinary activities	7	-	-
Loss for the financial year		(255,248)	(181,279)

The Company has no other items of comprehensive income and as such the statement of comprehensive income for the year agrees to the loss for the year.

The notes on pages 12 to 16 form part of these financial statements.

SN12 6EF Limited

Company balance sheet at
31 March 2017

	Note	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	8		11,797,007		12,326,373
Current assets					
Debtors	9	272,935		277,643	
Cash at bank and in hand		<u>1,058,227</u>		<u>1,068,282</u>	
		1,331,162		1,345,925	
Creditors: amounts falling due within one year	10	<u>(13,666,826)</u>		<u>(5,905,187)</u>	
Net current liabilities			(12,335,664)		(4,559,262)
Total assets less current liabilities			<u>(538,657)</u>		<u>7,767,111</u>
Creditors: amounts falling due after more than one year	11		-		(8,050,520)
Net liabilities			<u>(538,657)</u>		<u>(283,409)</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account			<u>(538,658)</u>		<u>(283,410)</u>
Equity attributable to owners of the parent company			<u>(538,657)</u>		<u>(283,409)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2017.

P Lambert

P Lambert
Director

SN12 6EF Limited registered number 09245781

The notes on pages 12 to 16 form part of these financial statements.

SN12 6EF Limited
Statement of changes in equity
for the year ended 31 March 2017

	Share capital £	Profit and loss account £	Total equity £
Balance at 31 March 2015	1	(102,131)	(102,130)
Comprehensive income			
Loss for the year	-	(181,279)	(181,279)
Balance at 31 March 2016	1	(283,410)	(283,409)
Comprehensive income			
Loss for the year	-	(255,248)	(255,248)
Balance at 31 March 2017	1	(538,658)	(538,657)

The notes on page 12 to 16 form part of these financial statements.

SN12 6EF Limited

Notes forming part of the financial statements for the year ended 31 March 2017

1 Accounting policies

SN12 6EF Limited is a company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by FRS 102' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Winchester Solar Limited and the company is included in consolidated financial statements.

Revenue

Revenue represents sales to external customers at invoiced amounts less value added tax on sales. Revenue refers to income from electricity generation, through owning and operating a ground mounted solar photovoltaic installation, which provides turnover from the sale of electricity and government energy subsidies. Turnover is recognised as electricity is generated.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Plant and machinery	-	Over the term of planning permission for the site (25 years)
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Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

SN12 6EF Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

1 Accounting policies (continued)

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

Deferred taxation

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other sources of estimation uncertainty

Tangible fixed assets (see note 8)

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

3 Analysis of Turnover

Turnover is wholly attributable to the principle activity of the company and arises solely within the United Kingdom.

SN12 6EF Limited

Notes forming part of the financial statements for
the year ended 31 March 2017 (continued)

4 Operating profit

	2017 £	2016 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	513,962	515,192
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	4,100	4,000
Fees payable to the company's auditor for taxation compliance services	2,100	2,050
Operating leases - land	<u>78,902</u>	<u>77,618</u>

5 Directors' remuneration

No director received any emoluments during the current year (2016: £nil). The company has no employees.

6 Interest payable and similar charges

	2017 £	2016 £
Bank loans	476,129	504,382
Amortisation of bank loan issue costs (see note 11)	<u>198,858</u>	<u>199,405</u>
	<u>674,987</u>	<u>703,787</u>

7 Taxation on loss on ordinary activities

	2017 £	2016 £
Loss on ordinary activities before tax	(255,248)	(181,279)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016: 21%)	(51,050)	(36,256)
Effect of:		
Capital allowances for year in excess of depreciation	18,396	18,452
Unrelieved tax losses and other deductions arising in the year	<u>32,654</u>	<u>17,804</u>
Tax charge for the year	<u>-</u>	<u>-</u>

There is a potential deferred tax asset totalling £60,251 (2016: £34,407), relating to unutilised losses carried forward of £354,418 (2016: £191,133), which has not been recognised as there is insufficient evidence of the availability of suitable profits in the foreseeable future.

SN12 6EF Limited
Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

8 Tangible fixed assets

	Plant and machinery £
<i>Cost or valuation</i>	
At 01 April 2016	12,854,224
Additions in year	2,309
Disposals in year	(17,713)
At 31 March 2017	<u>12,838,820</u>
<i>Depreciation</i>	
At 01 April 2016	527,851
Provided for year	513,962
At 31 March 2017	<u>1,041,813</u>
<i>Net book value</i>	
At 31 March 2017	<u>11,797,007</u>
At 31 March 2016	<u>12,326,373</u>

9 Debtors

	2017 £	2016 £
Trade debtors	44,747	-
Other debtors – VAT recoverable	12,153	-
Prepayments and accrued income	<u>216,035</u>	<u>277,643</u>
	<u>272,935</u>	<u>277,643</u>

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	191,723	70,443
Amount due to parent company	4,868,313	4,868,313
Bank loan	8,538,076	732,326
Taxation & social security	-	25,547
Accruals and deferred income	<u>68,714</u>	<u>208,558</u>
	<u>13,666,826</u>	<u>5,905,187</u>

11 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loan	<u>-</u>	<u>8,050,520</u>

The company initially borrowed funds from its bankers under a term loan of £9,351,186 and a short term VAT facility of £1,419,710. The term loan is repayable on 31 March 2018 and accrues interest at a variable rate equivalent to six month LIBOR plus a margin. Issue costs of £594,536 were historically incurred, which have been deducted from the initial carrying value and are charged to profit or loss as part of the interest charge calculated using the effective interest rate method. The debt is secured against the operational assets and shares of the company.

SN12 6EF Limited

Notes forming part of the financial statements for the
year ended 31 March 2017 (*continued*)

12 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

13 Commitments under operating leases

The company had commitments under non-cancellable operating leases as set out below:

	Land and buildings 2017 £	Land and buildings 2016 £
Operating leases which expire:		
Not later than one year	77,618	77,618
Later than 1 year and not later than 5 years	310,472	310,472
Later than five years	<u>1,452,362</u>	<u>1,529,980</u>
Total	<u>1,840,452</u>	<u>1,918,070</u>

The non-cancellable operating lease is subject to annual indexation, but this is not included in the above numbers.

14 Related party disclosures

During the year Buckland Capital Partners Limited, a company in which M E Thistlethwayte, W R Cann and P Lambert are directors, charged the company management fees totalling £140,711 (2016: £144,013). At the balance sheet date £166,362 (2016: £144,013) remained outstanding.

During the year Winchester Solar Limited has continued to make loans available to the company on which no interest is charged. This loan is subordinated to the bank debt facilities and at the balance sheet date £4,868,313 (2016: £4,868,313) remained outstanding.

15 Ultimate parent company

The company is a subsidiary of Winchester Solar Limited which is the ultimate parent company, incorporated in England and Wales.