

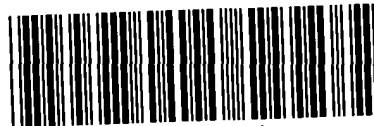
SN12 6EF Limited

Report and Financial Statements

Year Ended 31 March 2018

Company Number: 09245781

MONDAY



A7KJEGBF

A07

10/12/2018

#252

COMPANIES HOUSE

SN12 6EF Limited

Report and Financial Statements for the year ended 31 March 2018

Contents

Page:

3	Company information
4	Directors' report
6	Statement of directors' responsibilities
7	Independent auditor's report
10	Statement of comprehensive income
11	Balance sheet
12	Company statement of changes in equity
13	Notes forming part of the financial statements

SN12 6EF Limited

**Report and Financial Statements for the
year ended 31 March 2018**

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 2018

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

Results

The statement of comprehensive income is set out on page 10 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 site, 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 £66k for the year to 31 March 2018 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 £1,501k, 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 have amortised 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:

	2018	2017
	£'000	£'000
Loss on ordinary activities before taxation	(66)	(255)
Add back interest		
On bank loans	435	476
Amortisation of bank loan issue costs	198	199
Depreciation	512	514
Earnings before interest, depreciation & amortisation	1,079	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 2018 (*continued*)

Borrowings

The existing debt facility expires on 30 September 2018. The directors have spoken with several debt providers and are confident that the existing facility can be renewed or replaced on a timely basis. Accordingly, the directors consider it appropriate to adopt the going concern basis for preparing the financial statements.

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.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approval

This Directors' Report was approved by order of the Board on 27 April 2018.



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

Opinion

We have audited the financial statements of SN12 6EF Limited ("the Company") for the year ended 31 March 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 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.

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 Auditor's 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 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SN12 6EF Limited

Independent Auditors report to the members of SN12 6EF Limited

Opinions 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.

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 in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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.

SN12 6EF Limited

Independent Auditors report to the members of SN12 6EF Limited

Auditor's responsibilities for the audit of the financial statements

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.

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.

BDO LLP

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

2 May 2018

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 2018

	Note	2018 £	2017 £
Turnover	3	1,500,757	1,384,813
Administrative expenses		<u>(934,313)</u>	<u>(965,862)</u>
Operating profit	4	566,444	418,951
Interest receivable and similar income		371	788
Interest payable and similar charges	6	(632,459)	(674,987)
Loss on ordinary activities before taxation		<u>(65,644)</u>	<u>(255,248)</u>
Taxation on loss on ordinary activities	7	-	-
Loss for the financial year		<u>(65,644)</u>	<u>(255,248)</u>

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

SN12 6EF Limited

Company balance sheet at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	8	11,285,282	11,797,007
Current assets			
Debtors	9	278,612	272,935
Cash at bank and in hand		<u>1,283,332</u>	<u>1,058,227</u>
		1,561,944	1,331,162
Creditors: amounts falling due within one year	10	<u>(13,451,527)</u>	<u>(13,666,826)</u>
Net current liabilities		(11,889,583)	(12,335,664)
Net liabilities		<u>(604,301)</u>	<u>(538,657)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		<u>(604,302)</u>	<u>(538,658)</u>
Equity attributable to owners of the parent company		<u>(604,301)</u>	<u>(538,657)</u>

The financial statements were approved by the Board of Directors and authorised for issue on **27 April 2018**.



P Lambert
Director

SN12 6EF Limited registered number 09245781

The notes on pages 13 to 17 form part of these financial statements.

SN12 6EF Limited
Statement of changes in equity
for the year ended 31 March 2018

	Share capital £	Profit and loss account £	Total equity £
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)
Comprehensive income			
Loss for the year	-	(65,644)	(65,644)
Balance at 31 March 2018	1	(604,302)	(604,301)

The notes on page 13 to 17 form part of these financial statements.

SN12 6EF Limited

Notes forming part of the financial statements for the year ended 31 March 2018

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:

Going concern

At 31 March 2018 the company had net liabilities of £604,301.

The company is reliant upon the support of its parent company, Winchester Solar Limited.

The directors have prepared cash flow forecasts which demonstrate that the cash reserves of the company should be sufficient to meet the liabilities of the company as they fall due based upon those trading forecast.

The existing Group debt facility expires on 30 September 2018. The directors have spoken with several debt providers and are confident that the existing facility can be renewed or replaced on a timely basis. Therefore the directors are confident that the company has sufficient resources to continue as a going concern and have prepared the financial statements on that basis.

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.

Revenue in respect of retrospective pricing adjustments arising from the companies Renewable Obligation Certificates, is recognised on a receipts basis.

SN12 6EF Limited

Notes forming part of the financial statements for
the year ended 31 March 2018 (*continued*)

1 Accounting policies (*continued*)

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)

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.

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.

SN12 6EF Limited

Notes forming part of the financial statements for
the year ended 31 March 2018 (*continued*)

2 Judgements 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.

4 Operating profit

	2018 £	2017 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	511,725	513,962
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	4,300	4,100
Fees payable to the company's auditor for taxation compliance services	2,150	2,100
Operating leases - land	<u>81,173</u>	<u>78,902</u>

5 Directors' remuneration

No director received any emoluments during the current year (2017: £nil). The company has no employees.

6 Interest payable and similar charges

	2018 £	2017 £
Bank loans	434,690	476,129
Amortisation of bank loan issue costs (see note 10)	<u>197,769</u>	<u>198,858</u>
	<u>632,459</u>	<u>674,987</u>

SN12 6EF Limited
Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

7 Taxation on loss on ordinary activities

	2018 £	2017 £
Loss on ordinary activities before tax	(65,644)	(255,248)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017: 20%)	(12,472)	(51,050)
Effect of:		
Fixed asset timing differences	18,396	18,396
Unrelieved tax losses and other deductions arising in the year	(5,924)	32,654
Tax charge for the year	<u>-</u>	<u>-</u>

There is a potential deferred tax asset totalling £56,155 (2017: £60,251), relating to unutilised losses and fixed asset timing differences carried forward of £330,325 (2017: £354,418), which has not been recognised as there is insufficient evidence of the availability of suitable profits in the foreseeable future.

8 Tangible fixed assets

	Plant and machinery £
<i>Cost or valuation</i>	
At 1 April 2017 and 31 March 2018	<u>12,838,820</u>
<i>Depreciation</i>	
At 1 April 2017	1,041,813
Provided for year	511,725
At 31 March 2018	<u>1,553,538</u>
<i>Net book value</i>	
At 31 March 2018	<u>11,285,282</u>
At 31 March 2017	<u>11,797,007</u>

9 Debtors

	2018 £	2017 £
Trade debtors	75,874	44,747
Other debtors – VAT recoverable	-	12,153
Prepayments and accrued income	202,738	216,035
	<u>278,612</u>	<u>272,935</u>

SN12 6EF Limited

Notes forming part of the financial statements for the year ended 31 March 2018 (continued)

10 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	42,261	191,723
Amount due to parent company	4,868,313	4,868,313
Bank loan	8,477,959	8,538,076
Taxation & social security	24,297	-
Accruals and deferred income	38,697	68,714
	<u>13,451,527</u>	<u>13,666,826</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 30 September 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.

11 Share capital

	2018	2017
	£	£
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

12 Commitments under operating leases

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

	Land and buildings 2018	Land and buildings 2017
	£	£
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	1,374,744	1,452,362
Total	<u>1,762,834</u>	<u>1,840,452</u>

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

13 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 £142,362 (2017: £140,711). At the balance sheet date £nil (2017: £166,362) 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 (2017: £4,868,313) remained outstanding.

14 Ultimate parent company

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