

Registered number: 08158006

Sunsave 4 (Pyworthy) Ltd

**Financial statements
for the year ended 31 December 2016**



Sunsave 4 (Pyworthy) Ltd

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Sunsave 4 (Pyworthy) Ltd for the year ended 31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Sunsave 4 (Pyworthy) Ltd for the year ended 31 December 2016 which comprise the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Sunsave 4 (Pyworthy) Ltd, as a body, in accordance with the terms of our engagement letter dated 27 September 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Sunsave 4 (Pyworthy) Ltd and state those matters that we have agreed to state to the board of directors of Sunsave 4 (Pyworthy) Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sunsave 4 (Pyworthy) Ltd and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that Sunsave 4 (Pyworthy) Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Sunsave 4 (Pyworthy) Ltd. You consider that Sunsave 4 (Pyworthy) Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Sunsave 4 (Pyworthy) Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Chavereys
Chartered Accountants
Faversham

Date: 29th September 2017

Sunsave 4 (Pyworthy) Ltd
Registered number:08158006

Balance sheet
as at 31 December 2016

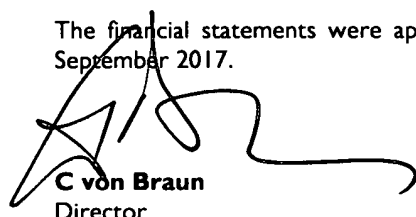
	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	6,837,770	7,257,325
Current assets			
Financial instruments	5	222,225	-
Debtors: amounts falling due within one year	5	647,594	195,936
Cash at bank		105,510	409,932
		<u>975,329</u>	<u>605,868</u>
Creditors: amounts falling due within one year	6	(3,320,434)	(3,163,453)
Net current liabilities		<u>(2,345,105)</u>	<u>(2,557,585)</u>
Total assets less current liabilities		<u>4,492,665</u>	<u>4,699,740</u>
Creditors: amounts falling due after more than one year	7	(4,613,162)	(4,703,211)
Provisions for liabilities			
Other provisions	10	(60,526)	(59,632)
		<u>(60,526)</u>	<u>(59,632)</u>
Net liabilities		<u>(181,023)</u>	<u>(63,103)</u>
Capital and reserves			
Called up share capital		3	3
Profit and loss account		(181,026)	(63,106)
		<u>(181,023)</u>	<u>(63,103)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2017.



C von Braun
Director

The notes on pages 3 to 11 form part of these financial statements.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

1. General information

Sunsave 4 (Pyworthy) Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. Its registered office address is 14 High Cross, Truro, Cornwall, United Kingdom, TR1 2AJ.

The company's solar farm and principal place of business is located at Pyworthy, Holsworthy, Devon, EX22 6AJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, under the historical cost convention. The disclosure requirements of Section 1A of FRS 102 have been applied.

These financial statements are the first financial statements the company has prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS 102. The financial statements of the company for the year ended 31 December 2015 were prepared in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015) ("FRSSE").

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

With the exception of the treatment of the derivative financial instrument (see note 14), the policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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:

2.2 Going concern

The financial statements have been prepared on the basis the company is a going concern, which the directors consider appropriate.

The directors have separately reviewed integrated forecasts for the company, for the foreseeable future, which indicate that the company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital.

The company has breached several covenants imposed by BLB. The directors have received confirmation from the company's shareholders that in the event BLB demand partial or complete repayment of the loan facility that this will be funded through additional shareholder loans.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

2. Accounting policies (continued)

2.3 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and Value Added Tax. The following criteria must also be met before turnover is recognised:

Generation and embedded benefits turnover

Turnover from the sale of electricity represents the invoice value, pre sales tax, of electricity provided to third parties and is recognised when electricity is generated. Embedded benefits are paid to generating plant located on the distribution network to reflect the lower cost of transporting electricity to the end user and are recorded at the invoice value.

ROCs turnover

Renewable Obligation Certificates (ROCs) are issued to qualifying renewable generators under the terms of the generating stations OFGEM Renewable Obligation registration. These certificates may be traded separately from the electricity to which they relate. The ROCs are recorded as accrued income at fair value and recognised in turnover when the electricity to which they relate is generated. Any impairment of ROCs due to reduction in the market price is recorded in profit and loss.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Solar park	- 5% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

2. Accounting policies (continued)

2.7 Financial instruments

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest 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.

2.10 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

- 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

3. Employees

The average monthly number of employees during the year was nil (2015 -nil).

4. Tangible fixed assets

	Solar park £
Cost or valuation	
At 1 January 2016	8,391,108
At 31 December 2016	<u>8,391,108</u>
Depreciation	
At 1 January 2016	1,133,782
Charge for the period	419,555
At 31 December 2016	<u>1,553,337</u>
Net book value	
At 31 December 2016	<u>6,837,771</u>
At 31 December 2015	<u>7,257,325</u>

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

5. Debtors

	2016 £	2015 £
Due after more than one year		
Financial instruments	222,225	-
	<u>222,225</u>	<u>-</u>
Due within one year		
Trade debtors	4,505	74,952
Other debtors	464,867	343
Prepayments and accrued income	151,222	114,641
Deferred taxation	27,000	6,000
	<u>647,594</u>	<u>195,936</u>

Other debtors includes £464,867 of cash over which BLB has placed restrictions. If the company were to restate its comparative figures then £461,438 of cash would have restrictions in place over it at 31 December 2015. The sum would be disclosed within other debtors rather than cash at bank.

6. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans	439,349	449,185
Other loans	2,774,487	2,595,559
Trade creditors	17,682	44,675
Other taxation and social security	48,348	50,465
Accruals and deferred income	40,568	23,569
	<u>3,320,434</u>	<u>3,163,453</u>

Other loans comprise £1,044,754 (2015: £865,826) due to ib vogt GmbH, £864,866 (2015: £864,866) due to St Nicholas Court Farms Limited, and £864,866 (2015: £864,866) due to P Grunow.

Trade creditors includes £378 (2015: £nil) due to ib vogt GmbH and £2,115 (2015: £41,275) due to Vogt Solar Ltd.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

7. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans	4,613,162	4,703,211
	<u>4,613,162</u>	<u>4,703,211</u>

Secured loans

Under the terms of the company's loan agreement with Bayerische Landesbank the bank holds all of the company's issued share certificates along with signed and un-dated stock transfer forms allowing it to take control of the company in the event of a breach of the loan agreement.

The company has also granted Bayerische Landesbank a first legal charge over its lease over the land on which it has constructed a solar park.

8. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	439,349	449,185
Other loans	2,774,487	2,595,559
	<u>3,213,836</u>	<u>3,044,744</u>
Amounts falling due 1-2 years		
Bank loans	439,349	449,185
	<u>439,349</u>	<u>449,185</u>
Amounts falling due 2-5 years		
Bank loans	1,318,046	1,347,555
	<u>1,318,046</u>	<u>1,347,555</u>
Amounts falling due after more than 5 years		
Bank loans	2,855,766	2,906,471
	<u>2,855,766</u>	<u>2,906,471</u>
	<u>7,826,997</u>	<u>7,747,955</u>

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

9. Deferred taxation

	2016 £
At the beginning of the year	6,000
Charged to profit or loss	21,000
At the end of the year	27,000

The deferred tax asset is made up as follows:

	2016 £
Accelerated capital allowances	(173,217)
Tax losses carried forward	200,217
	27,000

10 Provisions

	Deconstruction provision £
At 1 January 2016	59,632
Charged to profit or loss	894
At 31 December 2016	60,526

The company's lease over the land, on which it has constructed a solar park, requires it to return the land to its original condition at the expiry of the lease. This provision comprises the present value of the estimated cost of complying with the terms of the lease.

Sunsave 4 (Pyworthy) Ltd

Notes to the accounts for the year ended 31 December 2016

11. First time adoption of FRS 102

Due to the adoption of section 1A of FRS 102, the accounting treatment of a derivative financial instrument held by the company has been updated. The company has taken advantage of the exemption under section 35.10 (u) not to restate its comparative figures.

The company's loan from Bayerische Landesbank is denominated in Euros. The company also owns a financial instrument which was tailor made by Bayerische Landesbank to convert all the interest and capital payments due on the loan into fixed Sterling amounts. Under the FRSE the directors chose to apply a simplified accounting approach to the loan and associated financial instrument under which both were accounted for as a single Sterling denominated loan.

FRS 102 does not permit the simplified treatment available under the FRSE in the circumstances outlined above therefore the company has now recognised the Euro denominated loan and associated financial instrument separately in the year ended 31 December 2016.

The restatement of the Euro loan to take account of the exchange rate fluctuation between the inception of the loan and its value at 31 December 2015 resulted in a credit to the profit and loss reserve of £506,917. Bayerische Landesbank provided an estimate of the value of the associated financial instrument at 31 December 2015 of £(612,178).

Under the FRSE the upfront costs in relation to the financial instrument were being released over the term of the loan. The separate recognition of the financial instrument as outlined above requires the residual balance of these, being £78,925 at 31 December 2015, to be written off against the profit and loss reserve.

The net impact of the recognition of the Euro denominated loan and financial instrument on reserves at 1 January 2016 is a reduction of £184,186.

At 31 December 2016 the Euro denominated loan represented a liability of £5,395,791 at the prevailing exchange rate, resulting in a charge to profit and loss of £740,298. The associated financial instrument was valued by Bayerische Landesbank and estimated to be worth £222,225, resulting in a credit to profit and loss of £834,403. The net impact in the year ended 31 December 2016 is a credit to profit and loss of £94,105.

12. Auditors' information

The company's accounts were audited by Chavereys. The audit report was signed by Iain Morris acting as senior statutory auditor.

The company's audit report for the year ended 31 December 2016 was unqualified.