Registered number: 08609056

Ardleigh Solar Limited

Directors' report and financial statements
for the year ended 31 December 2018

TUESDAY

A8E0FL7C

A24 24/09/2019 #380

COMPANIES HOUSE

Ardleigh Solar Limited

Company information

Directors	P O'Kane S Tetot
Registered number	08609056
Registered office	2 Jubilee Way Faversham Kent ME13 8GD
Independent auditors	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool L3 9AG

Ardleigh Solar Limited

Directors' report
for the year ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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.

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 to 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.

Directors

The directors who served during the year were:

P O'Kane
S Tetot
K Mangan (resigned 10 April 2018)

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report (continued) for the year ended 31 December 2018

Auditors

The auditors, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report has been prepared in accordance with the provisions applicable to companies entitled to apply the small company regime.

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

S Tetot
Director

Date: 28.08.2019

Independent auditors' report to the members of Ardleigh Solar Limited

Opinion

We have audited the financial statements of Ardleigh Solar Limited (the 'company') for the year ended 31 December 2018 which comprise the Profit and loss account and Balance sheet and the 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 FRS 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 December 2018 and of its profit 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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.

Independent auditors' report to the members of Ardleigh Solar Limited

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 exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 1, 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.

Auditor's 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 on the Financial Reporting Council's website at: http://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.

RSM UK AUDIT LLP

Ian Taylor (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG
Date: 30 AUGUST 2019

Ardleigh Solar Limited

Profit and loss account
for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	2.3	**1,337,668**	*1,272,478*
Cost of sales		**(571,252)**	*(546,717)*
Gross profit		**766,416**	*725,761*
Administrative expenses		**(144,584)**	*(144,619)*
Operating profit		**621,832**	*581,142*
Interest payable and expenses	4	**(461,130)**	*(507,675)*
Profit before tax		**160,702**	*73,467*
Tax on profit		**(43,444)**	*(90,321)*
Profit/(loss) for the financial year		**117,258**	*(16,854)*

There was no other comprehensive income for 2018 (2017:£NIL).

Ardleigh Solar Limited
Registered number:08609056

Balance sheet
as at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	5		9,912,060		10,357,542
			9,912,060		10,357,542
Current assets					
Debtors: amounts falling due within one year	6	336,262		267,742	
Bank and cash balances		10,813		124,111	
		347,075		391,853	
Creditors: amounts falling due within one year	7	(9,464,694)		(10,127,038)	
Net current liabilities			(9,117,619)		(9,735,185)
Total assets less current liabilities			794,441		622,357
Provisions for liabilities					
Deferred tax		(167,000)		(115,500)	
Other provision		(225,032)		(221,706)	
			(392,032)		(337,206)
Net assets			402,409		285,151
Capital and reserves					
Called up share capital			2		2
Profit and loss account			402,407		285,149
			402,409		285,151

The financial statements have been prepared in accordance with the 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 by:

S Tetot
Director

Date: 28.08.2019

The notes on pages 7 to 13 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2018

1. General information

Ardleigh Solar Limited is a private company limited by shares and incorporated in England & Wales. Its registered office address is 2 Jubilee Way, Faversham, Kent, ME13 8GD.

The company's solar farm and principal place of business is located at Chancery Farm, Park Road, Ardleigh, Colchester, Essex, CO7 7SS.

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.

The financial statements are presented in pound sterling and all values are rounded to the nearest pound (£) except where otherwise indicated.

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 formal confirmation that RI Income UK Holdings Limited will continue to financially support the company during the 12 months following the date the financial statements are signed.

The company has net current liabilities and is therefore dependent upon continuing finance being made available by its immediate parent company to enable it to continue to meet its obligations as they fall due.

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.

Notes to the financial statements for the year ended 31 December 2018

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, Value Added Tax and other sales taxes. 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 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.

2.5 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.

Notes to the financial statements for the year ended 31 December 2018

2. Accounting policies (continued)

2.6 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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	-	4%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of significant change since the last reporting date.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured at amortised cost using the effective interest method.

2.10 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.

Where the company, as lessee, is contractually required to restore leased property to an agreed condition prior to the release by a lessor, provision is made for such costs as they are identified.

2.11 Financial instruments

Debt instruments including loans and other accounts receivable and payable, are measured at historical cost

Notes to the financial statements for the year ended 31 December 2018

2. Accounting policies (continued)

2.11 Financial instruments (continued)

and repayable on demand.

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from related parties and loans to related parties.

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.

3. Employees

The average monthly number of employees during the year was nil *(2017 - nil)*.

4. Interest payable and similar expenses

	2018 £	*2017* *£*
Loans from parent company	**457,660**	*504,399*
Unwinding of discount on deconstruction provision	**3,326**	*3,276*
Other interest - on overdue tax	**144**	-
	461,130	*507,675*

Notes to the financial statements for the year ended 31 December 2018

5. Tangible fixed assets

	Solar park £
Cost or valuation	
At 1 January 2018	**11,142,721**
At 31 December 2018	**11,142,721**
Depreciation	
At 1 January 2018	**785,180**
Charge for the year	**445,481**
At 31 December 2018	**1,230,661**
Net book value	
At 31 December 2018	**9,912,060**
At 31 December 2017	*10,357,541*

6. Debtors

	2018 £	2017 £
Trade debtors	**127,007**	*74,481*
Amounts owed by group companies	**8,056**	*15,000*
Prepayments and accrued income	**201,199**	*178,261*
	336,262	*267,742*

Prepayments and accrued income includes £20,000 (2017 - £20,000) held in a solicitor's client account on behalf of the company.

Notes to the financial statements for the year ended 31 December 2018

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Loans from group undertakings	**9,223,937**	9,962,614
Trade creditors	**21,541**	93,728
Other taxation and social security	**97,917**	12,041
Accruals and deferred income	**121,299**	58,655
	9,464,694	10,127,038

Loans from group undertakings includes £6,825,714 (2017: £7,357,534) advanced by BRI UK Finance Designated Activity Company (registered in the Republic of Ireland) and £2,398,223 (2017: £2,585,079) advanced by RI Income UK Holdings Limited.

8. Deferred taxation

	2018 £
At the beginning of the year	**(115,500)**
Charged to the profit or loss	**(43,444)**
Allowances surrendered to group	**(8,056)**
At the end of the year	**(167,000)**

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	**(167,000)**	(115,500)
	(167,000)	(115,500)

Notes to the financial statements for the year ended 31 December 2018

9. Provisions

	Deconstruction provision £
At 1 January 2018	**221,706**
Charged to profit or loss	**3,326**
At 31 December 2018	**225,032**

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.

10. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	*2017 £*
Not later than 1 year	**59,821**	*58,359*
Later than 1 year and not later than 5 years	**251,488**	*245,343*
Later than 5 years	**1,806,923**	*1,862,459*
	2,118,232	*2,166,161*

The lease was signed on 26 February 2016. The company may break the lease by giving the landlord twelve months written notice any time on or after 26 February 2036, provided the company complies with the covenants imposed by the lease.

The minimum lease payments are linked to the retail price index (RPI). The above minimum rent payments include an estimate of RPI at a constant rate of 2% per annum. The project has a total expected life of twenty nine years and 323 days and the above commitment represents the remaining lease term.

11. Controlling party

The ultimate parent undertaking and controlling party in this group is considered to be Renewable Income UK, a sub-fund of Blackrock Infrastructure Funds Public Limited Company, an investment company registered in Ireland which accounts for investments at fair value and does not prepare consolidated financial statements.

The immediate parent company as at 31 December 2018 is RI Income UK Holdings Limited, an investment company registered in England & Wales which accounts for investments at fair value and does not prepare consolidated financial statements. The accounts are available from the registered office at 12 Throgmorton Avenue, London, EC2N 2DL.