

Registered number: 08525541

Yerbeston Solar Limited (formerly Sunsave 23 (Yerbeston) Limited)

**Directors' report and financial statements
for the year ended 31 December 2016**

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COMPANIES HOUSE

Yerbeston Solar Limited

Company Information

Directors	C D K Reid (appointed 4 March 2016) P G Raftery (appointed 4 March 2016)
Registered number	08525541
Registered office	Mall House The Mall Faversham Kent ME13 8JL
Independent auditors	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool L3 9AG

Yerbeston Solar Limited

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Yerbeston Solar Limited

Directors' report for the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

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). 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 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.

Principal activity

The company's principal activity is the operation of a solar farm.

Directors

The directors who served during the year were:

C D K Reid (appointed 4 March 2016)
P G Raftery (appointed 4 March 2016)
C von Braun (resigned 4 March 2016)
C A Milner (resigned 4 March 2016)
M A M Candlish (resigned 4 March 2016)

With effect from 7 March 2017, the name of the company was changed from Sunsave 23 (Yerbeston) Limited to Yerbeston Solar Limited.

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.

Yerbeston Solar Limited

**Directors' report (continued)
for the year ended 31 December 2016**

Auditors

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

Small Companies Note

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

This report was approved by the board on 29 August 2017 and signed on its behalf.



C D K Reid
Director

Yerbeston Solar Limited

Independent auditors' report to the members of Yerbeston Solar Limited

Opinion on financial statements

We have audited the financial statements on pages 5 to 14 . 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), FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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, based on the work undertaken in the course of our audit, 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 any 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, 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.

Yerbeston Solar Limited

Independent auditors' report to the members of Yerbeston Solar Limited

Respective responsibilities of directors and auditor

As more fully explained 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. 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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: *31 august 2017*

Yerbeston Solar Limited

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	2.3	535,910	6,019
Cost of sales		(328,543)	(14,478)
Gross profit/(loss)		207,367	(8,459)
Administrative expenses		(92,765)	(39,062)
Operating profit/(loss)		114,602	(47,521)
Interest receivable and similar income		-	5
Interest payable and similar charges	6	(263,264)	-
Loss before tax		(148,662)	(47,516)
Tax on loss		27,000	-
Loss for the financial year		(121,662)	(47,516)

There was no other comprehensive income for 2016 (2015:£NIL).

Yerbeston Solar Limited
Registered number:08525541

Balance sheet
as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	7	6,645,482	6,276,766
		<u>6,645,482</u>	<u>6,276,766</u>
Current assets			
Debtors: amounts falling due within one year	8	166,235	224,856
Bank and cash balances		81,484	4,217
		<u>247,719</u>	<u>229,073</u>
Creditors: amounts falling due within one year	9	(6,972,848)	(6,465,174)
Net current liabilities		<u>(6,725,129)</u>	<u>(6,236,101)</u>
Total assets less current liabilities		<u>(79,647)</u>	<u>40,665</u>
Provisions for liabilities			
Other provisions	11	(91,350)	(90,000)
		<u>(91,350)</u>	<u>(90,000)</u>
Net liabilities		<u>(170,997)</u>	<u>(49,335)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(170,999)	(49,337)
		<u>(170,997)</u>	<u>(49,335)</u>

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 on
29 August 2017



C D K Reid
Director

The notes on pages 8 to 14 form part of these financial statements.

Yerbeston Solar Limited

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2015	2	(1,821)	(1,819)
Comprehensive income for the year			
Loss for the year	-	(47,516)	(47,516)
Total comprehensive income for the year	-	(47,516)	(47,516)
At 1 January 2016	2	(49,337)	(49,335)
Comprehensive income for the year			
Loss for the year	-	(121,662)	(121,662)
Total comprehensive income for the year	-	(121,662)	(121,662)
At 31 December 2016	2	(170,999)	(170,997)

Yerbeston Solar Limited

Notes to the financial statements for the year ended 31 December 2016

1. General information

Yerbeston Solar Limited is a company incorporated in England & Wales under the Companies Act. Its registered office address is Mall House, The Mall, Faversham, Kent, ME13 8JL.

The company's solar farm and principal place of business is located at Yerbeston Gate Farm, Yerbeston, Pembrokeshire, SA68 0NS.

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.

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 (see note 3).

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 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.

Yerbeston Solar Limited

Notes to the financial statements 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, 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 Intangible assets

Intangible assets represent development work which gives the company the legal right to construct and operate the solar park. The solar park is now operational and consequently the development work has been transferred into the solar park category in tangible fixed assets.

2.5 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%
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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 statement of comprehensive income.

Yerbeston Solar Limited

Notes to the financial statements for the year ended 31 December 2016

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 Financial instruments

Debt instruments including loans and other accounts receivable and payable, are measured at historical cost and repayable on demand.

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third 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.

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.

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 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.

2.11 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Yerbeston Solar Limited

Notes to the financial statements for the year ended 31 December 2016

2. Accounting policies (continued)

2.12 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

2.13 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.

2.14 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from these estimates. In the opinion of the directors there are no significant judgments that are not adequately detailed in the company's accounting policies outlined above.

Yerbeston Solar Limited

Notes to the financial statements for the year ended 31 December 2016

4. Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>7,000</u>	<u>7,500</u>

5. Employees

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

6. Interest payable and similar charges

	2016 £	2015 £
Loans from parent company	261,914	-
Unwinding of discount on deconstruction provision	1,350	-
	<u>263,264</u>	<u>-</u>

7. Tangible fixed assets

	Solar park £
Cost or valuation	
At 1 January 2016	6,291,244
Additions	646,388
At 31 December 2016	<u>6,937,632</u>
Depreciation	
At 1 January 2016	14,478
Charge for the period	277,672
At 31 December 2016	<u>292,150</u>
Net book value	
At 31 December 2016	<u>6,645,482</u>
At 31 December 2015	<u>6,276,766</u>

Yerbeston Solar Limited

Notes to the financial statements for the year ended 31 December 2016

8. Debtors

	2016 £	2015 £
Other debtors	-	141,730
Prepayments and accrued income	139,235	83,126
Deferred taxation	27,000	-
	<u>166,235</u>	<u>224,856</u>

Prepayments and accrued income includes £50,000 (2015: £79,950) held in a solicitor's client account on behalf of the company.

9. Creditors: amounts falling due within one year

	2016 £	2015 £
Other loans	6,838,298	1,463,790
Trade creditors	4,738	4,728,039
Other taxation and social security	11,702	-
Other creditors	1,691	-
Accruals and deferred income	116,419	273,345
	<u>6,972,848</u>	<u>6,465,174</u>

Included in other loans are amounts totalling £5,036,469 advanced by BRI UK Finance Limited and £1,801,829 advanced by RI Income UK Holdings Limited.

10. Deferred taxation

	2016 £
Credited to profit or loss	27,000
At end of year	<u>27,000</u>

The deferred tax asset is made up as follows:

	2016 £
Accelerated capital allowances	(38,000)
Tax losses carried forward	65,000
	<u>27,000</u>

Yerbeston Solar Limited

Notes to the financial statements for the year ended 31 December 2016

11 Provisions

	Deconstruction provision £
At 1 January 2016	90,000
Charged to profit or loss	1,350
At 31 December 2016	91,350

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.

12. Commitments under operating leases

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	16,891	16,560
Later than 1 year and not later than 5 years	71,011	69,619
Later than 5 years	556,146	574,429
	644,048	660,608

The company may break the lease by giving the landlord twelve months written notice any time on or after 14 February 2016, provided the company complies with the covenants imposed by the lease. The project has a total expected life of thirty years and the above commitment represents thirty years rent. 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.

13. 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 2016 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.