Registered number: 09377818

AMP GM007 LIMITED

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Wellden Turnbull

Chartered Accountants and
Chartered Tax Advisers
Statutory Auditors

AMP GM007 LIMITED
REGISTERED NUMBER: 09377818

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	6		10,225,313		10,860,495
Current assets					
Debtors: amounts falling due within one year	7	261,115		286,875	
Cash at bank and in hand		690,896		588,426	
		952,011		875,301	
Creditors: amounts falling due within one year	8	(13,458,798)		(144,028)	
Net current (liabilities)/assets			(12,506,787)		731,273
Total assets less current liabilities			(2,281,474)		11,591,768
Creditors: amounts falling due after more than one year	9		-		(13,558,379)
Net liabilities			(2,281,474)		(1,966,611)
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		(2,281,574)		(1,966,711)
Shareholders' deficit			(2,281,474)		(1,966,611)

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 income and retained earnings 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 by:

Mrs S J Johnston
Director

Date: 21 October 2020

The notes on pages 2 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

AMP GM007 Limited is a private company limited by shares incorporated in England and Wales, registration number 09377818 . The registered office is 24 Savile Row, London, United Kingdom, W1S 2ES. The principal place of business is Far Danes, Stow Park, Lincolnshire, LN1 2AJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 judgement in applying the Company's accounting policies (see note 3).

These financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The current reporting period covers the financial year ended 31 December 2019. The prior period covers the 9 month period 31 December 2018. The accounting period was shortened in the previous period to align the Company with the remainder of the Group.

The following principal accounting policies have been applied:

2.2 Compliance with accounting standards

The financial statements have been prepared using FRS102, the financial reporting standard applicable in the UK and Republic of Ireland, including the disclosure and presentation requirements of Section 1A, applicable to small companies. There were no material departures from that standard.

2.3 Going concern

The Company was loss making in the period and is in a net liability position at the year end date. The financial statements have been prepared on a going concern basis which means that the Company can be expected to meet its liabilities as they fall due for a period of 12 months from the date of signing these financial statements. In assessing the appropriateness of the going concern basis of preparation the Directors have taken into account the key risks of the business, including the uncertainty in relation to the impact of COVID-19, as well as the Company's business model and the availability of cash resources. The Company is engaged in the generation and sale of renewable solar electricity and is financed by its immediate parent Solarplicity Debt Funding Limited. The Company is currently subject to an ongoing audit by OFGEM the energy regulator in relation to compliance with the Renewable Obligation Order (ROO). The outcome of the audit is uncertain as at the date of approval of these financial statements but Ofgem has the authority to, amongst other things, withdraw Renewable Obligations Certificates (ROC) accreditation in cases of material non-compliance with the ROO which would significantly impact the Company's ability to generate income and may result in a reduction in future cash inflows.

The Directors of the Company, based on legal advice, believe that the Company should not have its ROCs accreditation revoked and will, in the event of an unfavourable decision, undertake a challenge through the appropriate legal channels available to it. Although there is uncertainty as to the outcome of the audit, future cashflows and any future legal challenge, the Directors cite the ability of the Company to continue to generate sufficient cash to meets its liabilities as they fall due. Further the Directors cite the ongoing support of fellow group companies and the Company's parent to not call its debt to the detriment of the Company. On this basis the Directors consider it is appropriate to prepare the financial statements on a going concern basis.

2. Accounting policies (continued)

2.4 Revenue

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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.6 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.7 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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.

2.8 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 Arrays	- 5% on cost

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 Income and Retained Earnings.

2. Accounting policies (continued)

2.9 Borrowing costs related to fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2.10 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.

2.11 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.

2.12 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.

2.13 Financial instruments

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 banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Income and Retained Earnings.

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

Following an unsatisfactory audit by the Office of Gas and Electricity Market (OFGEM,) in relation to compliance with the Renewable Obligation Order (ROO), the Company has been working with OFGEM to provide further information to address audit points raised. The audit is ongoing and the outcome uncertain as at the date of approval of these financial statements. The conclusion of this process could result in the revocation of the Company's Renewable Obligations Certificates (ROC) accreditation in cases of material noncompliance with the ROO, as described in note 2.3. Loss of the ROCs accreditation will result in a reduction to future cashflows and a potential liability for repayment of ROCs. The Directors of the Company, based on legal advice, believe that the Company should not have its ROCs accreditation revoked and will, in the event of an unfavourable decision, undertake a challenge through the appropriate legal channels available to it. Given the uncertainty surrounding this position and the resulting future cashflows and potential liability surrounding the repayment of ROCs, the evidence with respect to the carrying value of tangible fixed assets (£10,225,313) and any potential liability relating to the repayment of ROCs is limited.

No provision for the impairment of fixed assets or repayment of ROCs has been made in these financial statements due to the uncertainty over the outcome of the appeals process. Because of this uncertainty, the directors are unable to accurately quantify the potential impact, if any, of an impairment or provision.

4. Employees

The Company has no employees, other than its directors, who did not receive any remuneration (2018 -£Nil).

5. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

6. Tangible fixed assets

	Solar Arrays
	£
Cost or valuation	
At 1 January 2019	12,703,647
At 31 December 2019	12,703,647
Depreciation	
At 1 January 2019	1,843,152
Charge for the year on owned assets	635,182
At 31 December 2019	2,478,334
Net book value	
At 31 December 2019	10,225,313
At 31 December 2018	10,860,495

Included within the above cost or valuation are capitalised borrowing costs at 31 December 2019 of £949,327 (2018 - £949,327).

The third party borrowings of the Company's immediate parent, Solarplicity Debt Funding Limited, are secured by a legal charge over all the assets of the Company, present and future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Debtors

	2019	2018
	£	£
Other debtors	35,645	28,339
Prepayments and accrued income	225,470	258,536
	261,115	286,875

The third party borrowings of the Company's immediate parent, Solarplicity Debt Funding Limited, are secured by a legal charge over all the assets of the Company, present and future.

8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	89,040	43,131
Amounts owed to group undertakings	13,363,103	-
Accruals and deferred income	6,655	100,897
	13,458,798	144,028

Amounts owed to group undertakings are interest bearing and repayable on demand.

9. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Amounts owed to group undertakings	-	13,558,379

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of £1.00 each	100	100

11. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

12. Related party transactions

The Company is exempt under the terms of Financial Reporting Standard 102 (FRS102) Section 33 paragraph 1A, from disclosing related party transactions with other group companies, on the groups that the Company is wholly owned within the Group and the Company is included in the consolidated financial statements prepared by the Group.

13. Post balance sheet events

Subsequent to the yearend date global economies have been significantly impacted by the uncertainties arising from the COVID-19 virus epidemic. This is a non-adjusting event in the context of these financial statements. The Company is engaged in the generation and subsequent sale of renewable solar electricity, the Directors have assessed the impact of the current market conditions on the Company and the resulting going concern assessment in note 2.3.

14. Controlling party

The immediate parent company is Solarplicity Debt Funding Limited, a company incorporated in England and Wales.

The ultimate controlling party is Gravis Asset Holdings Limited, a company incorporated in England and Wales.

The consolidated financial statements of Solarplicity Debt Funding Limited and Gravis Asset Holdings Limited may be obtained from Companies House or from the registered office: 24 Savile Row, London, United Kingdom, W1S 2ES.

15. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was qualified.

The qualification in the audit report was as follows:
Basis for qualified opinion

Following an unsatisfactory audit by the Office of Gas and Electricity Market (OFGEM,) in relation to compliance with the Renewable Obligation Order (ROO), the Company has been working with OFGEM to provide further information to address audit points raised. The audit is ongoing and the outcome uncertain as at the date of approval of these financial statements. The conclusion of this process could result in the revocation of the Company's Renewable Obligations Certificates (ROC) accreditation in cases of material noncompliance with the ROO, as described in note 2.3. Loss of the ROCs accreditation will result in a reduction to future cashflows and a potential liability for repayment of ROCs. The Directors of the Company, based on legal advice, believe that the Company should not have its ROCs accreditation revoked and will, in the event of an unfavourable decision, undertake a challenge through the appropriate legal channels available to it. Given the uncertainty surrounding this position and the resulting future cashflows and potential liability surrounding the repayment of ROCs, the audit evidence with respect to the carrying value of tangible fixed assets (£10,225,313) and any potential liability relating to the repayment of ROCs is limited.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 qualified opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 of the financial statements that sets out the position of the Company with respect to going concern. As set out in the basis of qualified opinion section of our report the Company is currently subject to an ongoing audit by the Office of Gas and Electricity Market (OFGEM), the energy regulator, with respect to compliance with the Renewable Obligation Order (ROO). The outcome of this audit is uncertain but an adverse or unfavourable finding following a regulatory review could result in a number of possible financial consequences for the Company including the revocation of the Company's ROCS accreditation. These events and conditions indicate that a material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern.

Other matters

The financial statements of the prior period were audited by the predecessor auditor, Silvia Vitiello for and on behalf of Moore Kingston Smith LLP.

A basis for qualified opinion was issued because the audit evidence available in relation to the carrying value of tangible fixed assets (2018 - £10,860,495) was limited because the outcome of an ongoing audit by the Office of Gas and Electricity Markets ('OFGEM') was unknown at the date of the report and may have resulted in an impairment of fixed assets as a result of lower future cash flows generated. As the outcome of the OFGEM audit and any possible appeal was unknown, the auditors were unable to obtain sufficient audit evidence as to any possible impairment through alternative procedures.

A material uncertainty relating to going concern was issued because the Company had net liabilities, incurred a net loss during the prior period and was awaiting the outcome of an ongoing audit by OFGEM, the energy regulator. The directors of the Company believed the Company would have a successful outcome to the OFGEM audit but in the event of an unfavourable outcome the Company would need additional funding to continue as a going concern.

The report was dated 3rd October 2019.

15. Auditors' information (continued)

The audit report was signed on 21 October 2020 by Mark Nelligan FCA (Senior Statutory Auditor) on behalf of Wellden Turnbull Limited.