First Solar Project Limited

Director's report and

Audited financial statements for the year ended 31 December 2016

First Solar Project Limited

Contents of the financial statements
For The Year Ended 31 December 2016

First Solar Project Limited

Company information
For The Year Ended 31 December 2016

Directors:	Giovanni D' Andria Paddy O' Kane Keith Mangan
Registered office:	2nd Floor Edgeborough House Upper Edgeborough Road Guildford Surrey GU1 2BJ
Registered number:	08126576 (England and Wales)
Independent auditors:	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading Berkshire RG1 3BD
Bankers:	HSBC 3 Rivergate Temple Quay Bristol BS1 6ER

First Solar Project Limited

Director's report
For The Year Ended 31 December 2016

The directors presents their report with the financial statements of the Company for the year ended 31 December 2016.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Further information on the basis of preparation of these financial statements and the going concern assumption can be found in note 2.

Principal activity
The principal activity of the Company in the period under review was the operation of the 8.145MW solar farm in Cornwall.

In March 2016, the Pencoose solar farm suffered significant storm damage which has resulted in extensive repairs being undertaken to make the solar farm fully operational. As a result, there has been a significant negative impact on revenue generated in FY16. The insurance provider has rejected full liability on the damage being storm related, on the basis of the solar farm not being constructed to the required specifications and as a result the company has incurred significant expenditure to make the solar farm fully operational again.

The farm was fully restored and operational again at the end of May 2016. Please see note 5 for further details on costs and insurance compensation received.

On 07 July 2017, the Company's previous parent, SF Power Plant 1 Limited sold its 100% holding in the Company to RI Income UK Holdings Limited and subsequently new directors were appointed on the date of the transaction.

The Company will function in the same manner as before and as such there will be no fundamental change to the way the Company is operated or managed.

Directors
The directors who have held office during the period from 1 January 2016 to the date of this report are as follows:

Giovanni D' Andria – appointed 07 July 2017
Paddy O' Kane – appointed 07 July 2017
Keith Mangan – appointed 07 July 2017
Tse Man Kit Keith – appointed 14 April 2017 and resigned 07 July 2017
J L Nealis – resigned 14 April 2017

Risks and uncertainties
The Company is exposed to fluctuations in UK power prices. The company seeks to manage the volatility in power prices by fixing prices at least six months in advance whenever possible.

Statement as to disclosure of information to auditors
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors
The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Director
and signed on behalf of the Board

....
Director - KEITH MANGAN

Date: 27 September 2017

First Solar Project Limited

Statement of director's responsibilities
For The Year Ended 31 December 2016

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements 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.

Independent auditors' report to the members of
First solar project limited

We have audited the financial statements of First Solar Project Limited for the year ended 31 December 2016 which comprise the Income Statement, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of director and auditors
As explained more fully in the Statement of director's responsibilities set out on Page 3, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

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.

Independent auditors' report to the members of First solar project limited

Matters on which we are required to report by exception

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 to prepare Directors' report.

Andrew Evans

Andrew Evans (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Reading
Berkshire

Date: 28 September 2017

First Solar Project Limited

Income statement
For The Year Ended 31 December 2016

	Notes	31/12/16 £	31/12/15 £
Turnover	3	602,759	729,043
Cost of sales		(791,731)	(400,891)
Gross (loss)/profit		(188,972)	328,152
Administrative expenses		(40,085)	(68,391)
Operating (loss)/profit	4	(229,057)	259,761
Exceptional cost	5	(551,615)	-
		(780,672)	259,761
Net finance charge	6	(776,442)	134,683
(Loss)/profit before taxation		(1,557,114)	394,444
Tax on (loss)/profit		299,640	(83,016)
(Loss)/profit for the financial year		(1,257,474)	311,428

First Solar Project Limited (Registered number: 08126576)

Balance sheet
31 December 2016

	Notes	31/12/16 £	31/12/15 £
Fixed assets			
Tangible assets	7	7,986,916	8,156,795
Current assets			
Debtors	8	1,103,321	727,949
Cash at bank		692,157	130,276
		1,795,478	858,225
Creditors			
Amounts falling due within one year	9	(10,946,814)	(4,301,103)
Net current liabilities		(9,151,336)	(3,442,878)
Total assets less current liabilities		(1,164,420)	4,713,917
Creditors			
Amounts falling due after more than one year	10	-	(4,221,223)
Provisions for liabilities	12	216,624	(183,016)
Net (liabilities)/assets		(947,796)	309,678
Capital and reserves			
Called up share capital		100	100
Retained earnings		(947,896)	309,578
Shareholders' (deficit)/funds		(947,796)	309,678

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 27 September 2017 and were signed by:

....
Director - KEITH MANGAN

1. Statutory information

First Solar Project Limited is a Private Company limited by shares, incorporated in the UK and registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 2.

2. Accounting policies

Basis of preparing the financial statements
The financial statements have been prepared in accordance with the applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1 A small entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements apply the July 2015 amendments to FRS 102. The particular accounting policies adopted are described below and have been applied consistently throughout the current financial period. The prior financial period was prepared under Financial Reporting Standard 102 without taking the section 1 A exemption for small companies.

Section 1 A for small companies has been applied on the basis that the entity meets the criteria set out within the Companies Act. The directors believe the entity is part of an eligible group on the basis that the ultimate controlling party is not listed on any market.

The Company has taken advantage of the exemptions available to small entities under section 1A in relation to presentation of a cash flow statement and disclosures of net finance charge, current taxation, financial instruments, share capital and reserves.

The financial statements are prepared under the historical cost convention, except for the modification to a fair value basis for certain assets and liabilities.

2. Accounting policies - continued

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 written confirmation that RI Income UK Holdings Limited intends to continue to financially support the Company during the 12 months following the date the financial statements are signed.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, 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 year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Deferred taxation

Deferred tax assets are only recognised when management deem that it is highly probable that there will be sufficient taxable profits in future periods which can utilise the deferred tax asset.

Operating lease commitments

The classification of leases as operating or finance leases requires the Company to determine, based on evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires recognition on the balance sheet.

2. Accounting policies - continued

Turnover
Turnover represents the value of power generated during the year, excluding value added tax, in the UK.

Turnover recognition
Turnover is recognised when the significant risks and rewards are considered to have transferred to the buyer and is recorded at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before turnover is recognised:

a) 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.

b)TRIADS turnover
Turnover from the sale of TRIADS (bonus for generating at peak demand times during the winter months) represents the invoice value, before sales tax, of TRIADS provided to third parties and is recognised when eligible electricity is generated.

c) ROCs turnover, LECs turnover
Renewable Obligation Certificates (ROCs) are issued to qualifying renewable generators under the terms of the generating station's 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.

Renewable energy generators who meet Customs & Excise conditions for exemption will be issued with Levy Exemption Certificates (LECs) for their generation. The LECs transfer along with the electricity and can be used by business consumers to claim levy exemption. These certificates carry a statutory value and are recognised at this value as generated.

Effective from 1 August 2015, the Government withdrew the exemption from the Climate Change Levy (CCL) meaning that power generated thereafter no longer accrued LECs and as such this is no longer a source of turnover.

2. Accounting policies - continued

Tangible fixed assets
Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met, but excludes the costs of day-to-day servicing which is expensed as incurred.

Depreciation is provided on all tangible fixed assets, other than freehold land, at the following annual rates in order to write off each asset over its estimated useful life.

Operating Solar Parks	-	20 years

Decommissioning costs
Provision is made for the net present value of the estimated cost of decommissioning the wind farm at the end of its useful life, based on price levels and technology at the balance sheet date.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated plant and equipment and depreciated accordingly. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within plant and equipment. The unwinding of the discount on the provision is included in the income statement within interest expense.

Financial instruments
Financial instruments
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. **Accounting policies - continued**

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments
Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.
Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised for financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation
Current tax, including UK corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

2. **Accounting policies - continued**

-provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

-deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax assets and liabilities are offset only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any exchange rate differences on revaluation arising is charged to profit and loss account in the period they arise..

2. **Accounting policies - continued**

Cash
Cash at bank and in hand on the balance sheet comprise cash in hand and deposits held at call with banks.

Accrued income
Accrued income represents accruals for electricity generation and ROC income not yet billed.

Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by the Company's shareholders.

Operating leases
Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Borrowing costs
Borrowing costs are expensed as incurred.

3. **Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the Company.

4. **Operating (loss)/profit**

The operating loss (2015 - operating profit) is stated after charging:

	31/12/16	31/12/15
	£	£
Rentals under operating lease	51,840	38,720
Depreciation - owned assets	421,547	327,592
Auditor's remuneration	12,000	3,750

5. Exceptional costs

In March 2016 the solar park suffered significant storm damage which has resulted in extensive repairs being undertaken to make the solar farm fully operational again. The insurance provider has rejected full liability on the damage being storm related, on the basis of the solar farm not being constructed to the required specifications and as a result the company has incurred significant expenditure to make the solar farm fully operational again.

All costs of repairs and replacement modules and income received from insurance claim is charged to profit and loss account and is treated as exceptional in nature. A breakdown of the all the related income and expenditure is shown below:

	£
Repair and maintenance costs	999,352
Legal and other costs	41,978
Total costs incurred	1,041,330
Insurance compensation received	(365,193)
Sales proceeds from disposal of damaged modules	(124,522)
Exceptional costs charged to profit and loss	551,615

6. Net finance charge

	31/12/16 £	31/12/15 £
Foreign exchange differences	701,588	(154,700)
Interest payable on inter-group loans	80,844	20,017
Interest receivable	(5,990)	-
	776,442	(134,683)

Foreign exchange differences arise from revaluation of foreign currency inter- group loans as at the balance sheet date.

7. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2016	8,484,387
Additions	351,668
Removal of Decommissioning Provision	(100,000)
At 31 December 2016	8,736,055
Depreciation	
At 1 January 2016	327,592
Charge for year	421,547
At 31 December 2016	749,139
Net book value	
At 31 December 2016	7,986,916
At 31 December 2015	8,156,795

8. Debtors

	31/12/16 £	31/12/15 £
Amounts falling due within one year:		
Accrued Income	92,932	104,203
Amount owed by group companies	886,563	-
Other debtors	23,826	23,274
	1,003,321	127,477
Amounts falling due after more than one year:		
Other Debtors	100,000	100,000
Amount owed by group companies	-	500,472
Aggregate amounts	1,103,321	727,949

Of the total amount owed by the group companies, £814,139 (2015: £500,472) is owed by SF Power Plant 1 Limited and is 1% p.a. interest bearing. On 28th February 2017, the Company entered into a receivable purchase and netting settling agreement whereby, £814,139 receivable from SF Power Plant 1 was assigned to Shunfeng Investments Limited for a consideration of netting the amount outstanding under the outstanding loan payable by the Company to Shunfeng Investments Limited.

The remaining balance of £72,424(2015: £nil) is interest free loan to Shunfeng Investments Limited and is repayable on demand.

9. Creditors: amounts falling due within one year

	31/12/16	31/12/15
	£	£
Trade creditors	191,701	12,000
Amounts owed to group companies	10,095,330	3,661,147
Other creditors	659,783	627,956
	10,946,814	4,301,103

Of the total amount owed to group companies, £4,709,593 (2015: £4,221,223) relates to GBP and USD loan provided by Shunfeng Investments Limited, bearing an interest rate of 1% p.a. On 28th February 2017, the Company entered into a receivable purchase and netting settling agreement whereby £814,139 receivable from SF Power Plant 1 was assigned to Shunfeng Investments Limited for a consideration of netting the amount outstanding under the outstanding loan payable by the Company to Shunfeng Investments Limited. The balance of the loan outstanding was settled on 07 July 2017 as part of the acquisition by RI Income Holdings Limited.

Of the total amount owed to group companies, £4,617,993 (2015: £3,661,147) relates to Euro loan provided by SF Suntech Deutschland GmbH, bearing an interest rate of 1% p.a. The balance outstanding was settled on 07 July 2017 as part of the acquisition by RI Income Holdings Limited.

The remaining balance relates to various group companies, bearing an interest rate of 1% and was settlement on 07 July 2017 as part of the acquisition by RI Income Holdings Limited.

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

	31/12/16	31/12/15
	£	£
Amounts owed to group companies	-	4,221,223

11. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/12/16	31/12/15
	£	£
Within one year	51,840	51,840
Between one and five years	207,360	207,360
In more than five years	725,760	781,577
	984,960	1,040,777

12. Provisions for liabilities

	31/12/16	31/12/15
	£	£
Deferred tax asset / liability	216,624	(83,016)
Abandonment provision	-	(100,000)
	216,624	(183,016)

Deferred tax

	31/12/16	31/12/15
	£	£
Deferred tax asset / liability	216,624	(83,016)

The gross movement on the deferred tax account is:		
Balance at 1 January	(83,016)	-
Charge/(credit) profit and loss account	299,640	(83,016)
Balance at 31 December	216,624	(83,016)

Deferred tax is provided as follows:		
Depreciation in advance of capital allowances	85,748	(120,333)
Tax losses available	213,892	37,317
	299,640	(83,016)

Abandonment provision

	31/12/16	31/12/15
	£	£
Balance at 1 January	100,000	100,000
Release	(100,000)	-
Unwind of discounting	-	-
Balance at 31 December	-	100,000

Decommission provision
In 2015 there was a decommissioning provision of £100,000 included in the fixed asset balance. The need for this provision was re-assessed in the current year and it was concluded that a provision was not required because the costs of decommissioning the plant would be immaterial based on latest information available and would be offset by selling the component parts for scrap. As such the decommissioning provision was released

13. **Off-balance sheet arrangements**

The Company enters into operating lease arrangements for the land on which the wind farm is located. The Company's lease rental expense is disclosed in note 3 and the Company commitments under these arrangements are disclosed in note 10. There are no other material off-balance sheet arrangements.

14. **Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 section 1A small entities 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

15. **Subsequent events**

On 07 July 2017, the Company's previous parent, SF Power Plant 1 Limited sold its 100% holding in the Company to RI Income UK Holdings Limited and subsequently new directors were appointed on the date of the transaction.

The Company will function in the same manner as before and as such there will be no fundamental change to the way the Company is operated or managed.

16. **Ultimate controlling party**

At the balance sheet date the company was controlled by SF Power Plant 1 Ltd by virtue of its 100% shareholding.

The ultimate holding company is Shunfeng International Clean Energy Limited, incorporated in the Cayman Islands, whose registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The group accounts of Shunfeng International Clean Energy Limited are publically available on its website www.sfcegroup.com/en

On 07 July 2017, the Company's previous parent, SF Power Plant 1 Limited sold its 100% holding in the Company to RI Income UK Holdings Limited and subsequently new directors were appointed on the date of the transaction.

The Company will function in the same manner as before and as such there will be no fundamental change to the way the Company is operated or managed.

17. **Information regarding directors and employees**

The Company has no employees (31 December 2015: Nil). None of the directors received any remuneration from the Company during the period (31 December 2015: Nil). Services are provided to the Company through a third party asset management agreement.

18. **Explanation of transition to FRA 102 1A**

This is the first period that the Company has presented its financial statements under Financial Reporting Standard 102 section 1A small entities (FRS 102 section 1A) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 section 1A was the start of that year, 1 January 2015. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard, however there are no material adjustments to brought forward equity and as such there is no reconciliation to present.