# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

Report and Financial Statements

Period Ended

30 June 2016

Company Number 08487546

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# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

## Company Information

| | |
|---|---|
| **Directors** | N A Wood<br>M A Rand |
| **Registered number** | 08487546 |
| **Registered office** | 2nd Floor<br>2 City Place<br>Beehive Ring Road<br>Gatwick<br>West Sussex<br>RH6 0PA |
| **Independent auditors** | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU |

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

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# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

## Directors' Report
## For the Period Ended 30 June 2016

The directors present their report and the financial statements for the period ended 30 June 2016.

### Principal activity

The principal activity of the company is the operation of a solar photovoltaic plant in the UK, earning revenue from the sale of electricity generated.

### Country of incorporation and legal form of the entity

Primrose Solar 10 Limited was incorporated as a private limited company under the Registrar of Companies for England and Wales on 15th April 2013. On the 22 January 2016 the entire issued share capital of the Company was purchased by Bluefield SIF Investments Limited and subsequently the Company has changed it's name to Molehill PV Farm Limited on 25 January 2016.

### Risk Management and Control

In the ordinary course of business, the Company is exposed to and manages a variety of risks in relation to its activities, including financial risk. The management of credit, interest rate, liquidity and operational risks are fundamental to the Company, with the Board of Directors having responsibility for the overall system of internal control and for reviewing its effectiveness.

The key areas of risk in relation to the use of financial statements are listed below and are properly addressed by the management of the Company:

Credit risk: Losses due to the inability or unwillingness of a customer to meet its obligations. This is mitigated by the Company entering into price agreements with credit worthy counter parties for the purchase of electricity to be generated by the solar photovoltaic plant.

Interest risk: Fluctuations in the prevailing levels of market rates of interest on its financial position and cash flows. This is not considered a significant risk to the Company as the interest on loans are charged at a fixed rate and are not subject to interest movements in the market.

Liquidity risk: Failure to meet financial obligations in a timely and cost effective manner due to mismatches in the maturity profile of assets and liabilities. The Company closely monitors its cash flow levels and financial obligations to anticipate its future cash commitments.

Operational risk: Failure to meet expected levels of generation output due to technical issues affecting performance of the plant. The Company has sought to mitigate this risk by the appointment of Bluefield Services Ltd, as its dedicated asset manager, with responsibility for closely monitoring the performance of the plant, ensuring activities conducted by 3rd party contractors are completed in timely fashion and, as required, contractual protections enforced. The Company also has insurance policies in place that protect against generation loss in situations out of the Company's control.

### Results and dividends

The loss for the period, after taxation, amounted to £47,868 (2015 - loss £209,557).

No dividends were distributed in the current year or prior period.

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

## Directors' Report
## For the Period Ended 30 June 2016

### Directors

The directors who served during the period were:

N A Wood (appointed 22 January 2016)
M A Rand (appointed 22 January 2016)
W R Morris (appointed 22 January 2016, resigned 10 March 2017)
G A Clark (resigned 22 January 2016)
A Patel (resigned 22 January 2016)
A A Rafiq (resigned 22 January 2016)
R H G Shaw (resigned 22 January 2016)

### Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in force throughout the period and at the date of this report.

### 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 financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

## Directors' Report
## For the Period Ended 30 June 2016

### 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 that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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.

### Post balance sheet events

There have been no significant events affecting the Company since the period end.

### Auditors

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

In preparing this directors' report advantage has been taken of the small companies' exemption. The Company is exempt from preparing a strategic report.

This report was approved by the board on 31/03/2017 and signed on its behalf.

N A Wood
Director

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

## Independent Auditor's report to the members of Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

We have audited the financial statements of Molehill PV Farm Limited for the period ended 30 June 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, statement of cash flows and the related notes. 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), including Financial Reporting Standard 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 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.

### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

### 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 30 June 2016 and of its loss for the period 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.

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

**Independent Auditor's report to the members of Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)**

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**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**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 directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

**Marc Reinecke** (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
London
United Kingdom
31/3/2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

## Statement of Comprehensive Income
## For the Period Ended 30 June 2016

| | Note | 6 months ended 30 June 2016 £ | Year ended 31 December 2015 £ |
|---|---|---|---|
| Turnover | 3 | **1,083,377** | 1,765,770 |
| **Gross profit** | | **1,083,377** | 1,765,770 |
| Administrative expenses | | **(552,586)** | (882,746) |
| **Operating profit** | 4 | **530,791** | 883,024 |
| Interest receivable and similar income | 6 | **28** | - |
| Interest payable and expenses | 7 | **(522,758)** | (1,172,000) |
| **Profit/(loss) before tax** | | **8,061** | (288,976) |
| Taxation for the period/year | 8 | **(55,929)** | 79,419 |
| **Loss for the period** | | **(47,868)** | (209,557) |
| **Other comprehensive income for the period** | | | |
| **Total comprehensive income for the period** | | **(47,868)** | (209,557) |

All amounts relate to continuing activities of the Company.

The notes on pages 10 to 21 form part of these financial statements.

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

**Registered number:08487546**

## Statement of Financial Position
## As at 30 June 2016

| | Note | | 30 June 2016 £ | | 31 December 2015 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 9 | | **14,905,659** | | 15,212,873 |
| | | | **14,905,659** | | 15,212,873 |
| **Current assets** | | | | | |
| Debtors: amounts falling due after more than one year | 10 | **51,188** | | - | |
| Debtors: amounts falling due within one year | 10 | **719,721** | | 411,413 | |
| Cash at bank and in hand | 11 | **248,581** | | - | |
| | | **1,019,490** | | 411,413 | |
| Creditors: amounts falling due within one year | 12 | **(365,241)** | | (190,197) | |
| **Net current assets** | | | **654,249** | | 221,216 |
| **Total assets less current liabilities** | | | **15,559,908** | | 15,434,089 |
| Creditors: amounts falling due after more than one year | 13 | | **(15,711,698)** | | (15,539,955) |
| **Provisions for liabilities** | | | | | |
| Other provisions | 16 | **(157,483)** | | (155,539) | |
| | | | **(157,483)** | | (155,539) |
| **Net liabilities** | | | **(309,273)** | | (261,405) |
| **Capital and reserves** | | | | | |
| Called up share capital | 17 | | **2** | | 2 |
| Profit and loss account | | | **(309,275)** | | (261,407) |
| | | | **(309,273)** | | (261,405) |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31/07/2017

**N A Wood**
Director

The notes on pages 10 to 21 form part of these financial statements.

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

## Statement of Changes in Equity
## For the Period Ended 30 June 2016

| | Called up share capital | Profit and loss account | Total equity |
|---|---|---|---|
| | £ | £ | £ |
| At 1 January 2016 | 2 | (261,407) | (261,405) |
| Profit and total comprehensive loss for the period | - | (47,868) | (47,868) |
| **At 30 June 2016** | 2 | (309,275) | (309,273) |

## Statement of Changes in Equity
## For the Year Ended 31 December 2015

| | Called up share capital | Profit and loss account | Total equity |
|---|---|---|---|
| | £ | £ | £ |
| At 1 January 2015 | 2 | (51,850) | (51,848) |
| Loss and total comprehensive loss for the year | - | (209,557) | (209,557) |
| **At 31 December 2015** | 2 | (261,407) | (261,405) |

The following describes the nature and purpose of each reserve within equity:

Share capital - Nominal value of share capital subscribed for.
Profit and loss account - Cumulative profit or losses, net of dividends paid and other adjustments.

The notes on pages 10 to 21 form part of these financial statements.

# Molehill PV Farm Limited (formerly Primrose Solar 10 Limited)

## Statement of Cash Flows
## For the Period Ended 30 June 2016

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Loss for the financial period/year | **(47,868)** | (209,557) |
| **Adjustments for:** | | |
| Depreciation of tangible assets | **307,214** | 450,222 |
| Interest payable | **522,758** | 1,172,000 |
| Interest receivable | **(28)** | - |
| Taxation | **55,929** | (79,419) |
| Increase in debtors | **(364,237)** | (330,351) |
| Increase in creditors | **175,045** | 191,960 |
| **Net cash generated from operating activities** | **648,813** | 1,194,855 |
| **Cash flows from investing activities** | | |
| Purchase of tangible fixed assets | **-** | (3,002,349) |
| Interest received | **28** | - |
| **Net cash from investing activities** | **28** | (3,002,349) |
| **Cash flows from financing activities** | | |
| New loans from group companies | **15,776,698** | 2,979,494 |
| Loans from group companies repaid | **(15,680,997)** | - |
| Interest paid | **(495,961)** | (1,172,000) |
| **Net cash used in financing activities** | **(400,260)** | 1,807,494 |
| **Net increase in cash and cash equivalents** | **248,581** | - |
| **Cash and cash equivalents at the end of period** | **248,581** | - |
| **Cash and cash equivalents at the end of period comprise:** | | |
| Cash at bank and in hand | **248,581** | - |
| | **248,581** | - |

The notes on pages 10 to 21 form part of these financial statements.

## 1. Accounting policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The entity's reporting period has been reduced to 6 months ended 30 June 2016 in alignment with the group's reporting period. The comparatives represent a period of 12 months and therefore, are not directly comparable.

These financial statements for the period ended 30 June 2016 are the first financial statements of Molehill PV Solar Farm Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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 2).

### 1.2 Going concern

These accounts have been prepared on a going concern basis. The directors believe this basis is appropriate following the consideration of cashflow forecasts which show the company is able to meet its liabilities as they fall due and meet its bank covenants for at least 12 months. In reaching this conclusion, the Company obtained written confirmation from its parent that it would provide financial support to meet the Company's liabilities for a period of at least twelve months from the date the financial statements are approved.

### 1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover refers to income from electricity generation, through owning and operating a ground mounted solar photovoltaic installation, which provides turnover from the sale of electricity and the feed-in-tariffs. Turnover is recognised as electricity is generated.

### 1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

1. **Accounting policies (continued)**

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.

The estimated useful lives range as follows:

| | |
|---|---|
| Plant and machinery | - Over the useful expected life of the asset (25 years) |

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 within 'other operating income' in the Statement of Comprehensive Income.

**1.5 Leased assets**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

**1.6 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.

**1.7 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.

## 1. Accounting policies (continued)

### 1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 theStatement of Comprehensive Income.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

i) at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;

ii) at cost less impairment for all other investments.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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

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

## 1. Accounting policies (continued)

### 1.9 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.

### 1.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 1.11 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

### 1.12 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 Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

### 1.13 Deferred taxation

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

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

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

In preparing these financial statements, the directors have made the following judgements:

a) Determine whether leases entered into by the company either as a lessor or lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

b) Going concern - refer to note 1.2.

c) Tangible fixed assets are depreciated over their useful lives taking account residual values, where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d) Accrued income is calculated on the actual electricity generated however is not able to be invoiced as it is yet to be validated by external parties or for various other reasons. Estimates are sometimes made with regards to price on portions of income or other certain aspects of the accrued income based on management's best information of the price at the time such as contracted prices or recent history of transactions.

e) There is an obligation to restore the land back to its original condition. The amount required to spend at the end of the lease is calculated by multiplying the weighted average cost of MW by the capacity MWp of the farm. This amount is discounted over the life of the lease at 2.5% risk free rate.

## 3. Analysis of turnover

All turnover arose within the United Kingdom.

## 4. Operating profit

The operating profit is stated after charging:

| | 6 months ended 30 June 2016 £ | Year ended 31 December 2015 £ |
|---|---|---|
| Depreciation of tangible fixed assets | **307,214** | 450,222 |
| Auditors remuneration: | | |
| Fees payable to the Company's auditor for the audit of the company's annual financial statements | **3,500** | 3,500 |
| Fees payable to the Company's auditors for other services: | | |
| - Accounting services | **3,075** | - |
| - Taxation compliance services | **4,700** | - |
| Operating leases - land | **43,409** | 89,756 |

During the period, no director received any emoluments (2015 - £NIL).

## 5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

## 6. Interest receivable

| | 6 months ended 30 June 2016 £ | Year ended 31 December 2015 £ |
|---|---|---|
| Other interest receivable | 28 | - |
| | 28 | - |

## 7. Interest payable and similar charges

| | 6 months ended 30 June 2016 £ | Year ended 31 December 2015 £ |
|---|---|---|
| Interest on loan from parent | 522,758 | 1,172,000 |
| | 522,758 | 1,172,000 |

## 8. Taxation

| | 6 months ended 30 June 2016 £ | Year ended 31 December 2015 £ |
|---|---|---|
| **Deferred tax** | | |
| Current year charge | 65,457 | (79,419) |
| Under/(over) provison prior years | (9,528) | - |
| **Total deferred tax** | 55,929 | (79,419) |
| **Taxation charge for the year/period** | 55,929 | (79,419) |

## 8. Taxation (continued)

### Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

| | 6 months ended 30 June 2016 £ | Year ended 31 December 2015 £ |
|---|---|---|
| Profit/(Loss) on ordinary activities before tax | **8,061** | (288,976) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%) | **1,612** | (57,795) |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | **750** | 1,801 |
| Pre trade expenses brought forward | **-** | (10,133) |
| Adjustments to tax charge in respect of prior periods | **(9,528)** | - |
| Other differences leading to an increase/(decrease) in the tax charge | **2,610** | 8,824 |
| Group relief | **60,485** | (22,116) |
| **Total tax charge for the period/year** | **55,929** | (79,419) |

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## 9. Tangible fixed assets

| | Plant and machinery £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 2016 | **15,663,095** |
| At 30 June 2016 | **15,663,095** |
| **Depreciation** | |
| At 1 January 2016 | **450,222** |
| Charge for the period on owned assets | **307,214** |
| At 30 June 2016 | **757,436** |
| **Net book value** | |
| At 30 June 2016 | **14,905,659** |
| At 31 December 2015 | 15,212,873 |

## 10. Debtors

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| **Due after more than one year** | | |
| Amounts owed by group undertakings | **51,188** | - |
| | **51,188** | - |

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| **Due within one year** | | |
| Trade debtors | **111,412** | - |
| Prepayments and accrued income | **584,819** | 331,994 |
| Deferred taxation | **23,490** | 79,419 |

## 10. Debtors (continued)

| | | |
|---|---|---|
| | **719,721** | 411,413 |

## 11. Cash and cash equivalents

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| Cash at bank and in hand | **248,581** | - |
| | **248,581** | - |

## 12. Creditors: Amounts falling due within one year

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| Trade creditors | **2,569** | 86 |
| Taxation and social security | **91,453** | 68,494 |
| Accruals and deferred income | **271,219** | 121,617 |
| | **365,241** | 190,197 |

## 13. Creditors: Amounts falling due after more than one year

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| Amounts owed to parent | **15,711,698** | 15,539,955 |
| | **15,711,698** | 15,539,955 |

The loan is repayable in 2039 and bears interest at a rate of 7%, compounding annually on 30 June, and increasing in line with the annual RPI for the previous 12 months. The loan is unsecured.

## 14. Financial instruments

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| **Financial assets** | | |
| Financial assets that are debt instruments measured at amortised cost | **937,398** | 227,585 |
| | **937,398** | 227,585 |
| **Financial liabilities** | | |
| Financial liabilities measured at amortised cost | **(15,985,486)** | (15,661,658) |
| | **(15,985,486)** | (15,661,658) |

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial Liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and amounts owed to group undertakings.

## 15. Deferred taxation

| | 2016 £ | 2015 £ |
|---|---|---|
| At beginning of year | **79,419** | - |
| Charged to profit or loss | **(55,929)** | 79,419 |
| **At end of year** | **23,490** | 79,419 |

The deferred tax asset is made up as follows:

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| Accelerated capital allowances | **13,883** | 79,419 |
| Tax losses carried forward | **9,607** | - |
| | **23,490** | 79,419 |

## 16 Provisions

| | Other provision £ |
|---|---|
| At 1 January 2016 | **155,539** |
| Charged to profit or loss | **1,944** |
| **At 30 June 2016** | **157,483** |

The restoration provision relates to the land of the solar farm. The provision will be fully utilised at the end of the lease period which expires on 31 December 2040.

## 17. Share capital

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 2 Ordinary shares of £1 each | **2** | 2 |

## 18. Commitments under operating leases

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 30 June 2016 £ | 31 December 2015 £ |
|---|---|---|
| Not later than 1 year | **90,209** | 89,760 |
| Later than 1 year and not later than 5 years | **365,368** | 363,551 |
| Later than 5 years | **1,838,609** | 1,930,636 |
| **Total** | **2,294,186** | 2,383,947 |

## 19. Related party transactions

The Company incurred expenses and fees of £30 (2015: £nil) payable to Bluefield Partners LLP. The amounts represent reimbursement of expenses incurred by Bluefield Partners LLP in advising the company. Bluefield Partners LLP is the investment Advisor of the Company. At the year end £nil (2015: £nil) was owed to Bluefield Partners LLP.

The Company incurred expenses and fees of £18,001 (2015: £nil) payable to Bluefield Services Limited. The amounts represent asset management services incurred by Bluefield Services Limited in advising the company. At the year end £nil (2015: £nil) was owed to Bluefield Services Limited.

The Company incurred Technical services fees of £48,439 (2015: £nil) paid to Mikado Solar Projects (2) Limited. At the year end £nil (2015: £nil) was owed to Mikado Solar Projects (2) Limited.

## 20. Controlling party

The company's immediate parent company is Bluefield SIF Investments Limited, a company incorporated in the United Kingdom, and is a wholly owned subsidiary of Bluefield Solar Income Fund Limited which is the ultimate parent company incorporated in Guernsey.