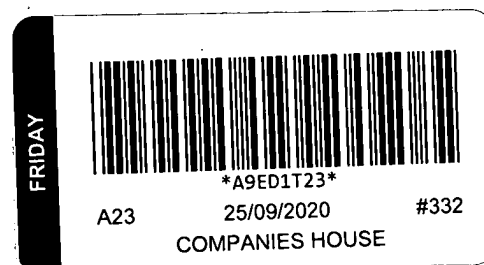


AMENDED

COMPANY REGISTRATION NUMBER: 09877310

**STERLING INDUSTRIAL ENERGY LTD
FILLETED FINANCIAL STATEMENTS
31 DECEMBER 2019**



COHEN ARNOLD
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

STERLING INDUSTRIAL ENERGY LTD
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019

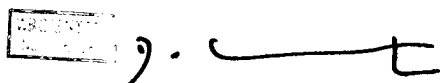
	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	4	662,000	1,207,000
CURRENT ASSETS			
Debtors	5	151,147	59,561
Cash at bank and in hand		3,205	3,205
		<u>154,352</u>	<u>62,766</u>
CREDITORS: amounts falling due within one year	6	<u>(814,344)</u>	<u>(799,369)</u>
NET CURRENT LIABILITIES		<u>(659,992)</u>	<u>(736,603)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,008</u>	<u>470,397</u>
PROVISIONS		<u>—</u>	<u>(86,507)</u>
NET ASSETS		<u>2,008</u>	<u>383,890</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Profit and loss account		2,007	383,889
SHAREHOLDERS FUNDS		<u>2,008</u>	<u>383,890</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 4 September 2020, and are signed on behalf of the board by:



Mr D Collard
Director

Company registration number: 09877310

The notes on pages 2 to 6 form part of these financial statements.

STERLING INDUSTRIAL ENERGY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 9th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DD.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the company and available sources of finance.

However, the outbreak of the Coronavirus in the first six months of 2020 has resulted in a sharp downturn in the business. The associated "lockdown" and closure of the business premises has dramatically affected the company, their revenue and operations. In addition, the uncertainty surrounding Brexit and the associated potential financial cost may also impact the UK economy in a negative manner.

These risks are beyond the control of the company and represent an uncertainty to the revenue of the company for the year ended 31 December 2020.

However, given the continued support from the Company's principal creditors the directors believe the company will continue as a going concern.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

STERLING INDUSTRIAL ENERGY LTD
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below:

i. Fixed Asset valuations

The valuation of the company's stock of solar panels is inherently subjective, depending on many factors, including the individual nature of the energy market, its location and expected future net rental values, market yields and comparable market transactions. Therefore the valuation is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

ii. Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.

Revenue recognition

Turnover represents income from the sale of electricity in the United Kingdom.

Turnover is recognised at the fair value of the consideration received or receivable and is shown net of VAT and other sales related taxes.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

STERLING INDUSTRIAL ENERGY LTD
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

STERLING INDUSTRIAL ENERGY LTD
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

4. TANGIBLE ASSETS

	Plant and machinery £
Cost	
At 1 January 2019	1,207,000
Disposals	(545,000)
At 31 December 2019	<u>662,000</u>
Carrying amount	
At 31 December 2019	<u>662,000</u>
At 31 December 2018	<u>1,207,000</u>

5. DEBTORS

	2019 £	2018 £
Trade debtors	<u>151,147</u>	<u>59,561</u>

6. CREDITORS: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	8,850	17,898
Social security and other taxes	740	—
Other creditors	<u>804,754</u>	<u>781,471</u>
	<u>814,344</u>	<u>799,369</u>

7. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	<u>662,000</u>	<u>1,207,000</u>
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>154,352</u>	<u>62,766</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>814,344</u>	<u>799,369</u>

STERLING INDUSTRIAL ENERGY LTD
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

8. EVENTS AFTER THE END OF THE REPORTING PERIOD

Due to the outbreak of Covid-19, on 20 March 2020 all non-essential businesses and shops closed. This resulted in the Company closing its offices. This has resulted in a sharp downturn in revenue generated by the business post the balance sheet date.

9. SUMMARY AUDIT OPINION

The auditor's report for the year dated 4 September 2020 was unqualified.

The senior statutory auditor was Keith Sussman FCA, for and on behalf of Cohen Arnold.

10. RELATED PARTY TRANSACTIONS

Other creditors include £804,754 (2018: £781,471) due to the F55 Sterling Portfolio Sarl (Parent Undertaking). The amounts are interest free and repayable on demand.

11. CONTROLLING PARTY

The Company's parent undertaking is F55 Sterling Portfolio Sarl. The company is controlled by its intermediate parent undertaking, F55 Masterco Sarl, a limited liability company, incorporated under the laws of Luxembourg.

The ultimate parent undertaking is Westbrook Real Estate Fund X, LP, a limited partnership incorporated under the laws of Delaware, USA.