

Sonste Limited

Abbreviated financial statements

for the year ended 31 December 2013

Registered Number 07697487



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29/09/2014

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Sonste Limited

Abbreviated financial statements

for the year ended 31 December 2013

Contents

Directors and advisers	1
Independent auditors' report to the members of Sonste Limited under Section 449 of the Companies Act 2006	1
Abbreviated balance sheet as at 31 December 2013.....	2
Statement of accounting policies	3
Notes to the abbreviated financial statements for the year ended 31 December 2013.....	6

Sonste Limited

Directors and advisers

Directors

C R Hulatt

M C Kleibergen (Alternate Director)

J A Lee

Company secretary

N Board

Registered office

4th Floor

20 Old Bailey

London

EC4M 7AN

Independent auditors

PricewaterhouseCoopers LLP

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

Bankers

Coutts & Co

440 Strand

London

WC2R 0QS

Solicitors

SGH Martineau LLP

No.1 Colmore Square

Birmingham

B4 6AA

Sonste Limited

Independent auditors' report to the members of Sonste Limited under Section 449 of the Companies Act 2006

We have examined the abbreviated financial statements set out on pages 3 to 10, together with the financial statements of Sonste Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

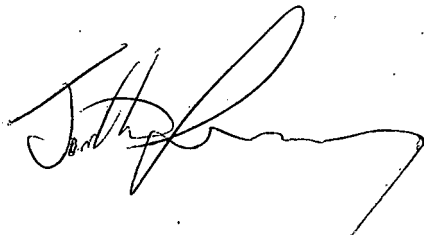
This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
19 September 2014

Sonste Limited

Abbreviated balance sheet as at 31 December 2013

	Note	2013	2013	2012	2012
		£	£	Restated £	Restated £
Fixed assets					
Intangible assets	1	-		485,345	
Tangible assets	2	27,446		40,211	
Investments	3	973,949		1	
			1,001,395		525,557
Current assets					
Debtors: amounts falling due within one year	4	6,565		1,441,289	
Debtors: amounts falling due after more than one year	4	6,385,330		373,808	
Cash at bank and in hand		532,751		2,504,422	
			6,924,646		4,319,519
Creditors: amounts falling due within one year	5		(897,070)		(379,986)
Net current assets			6,027,576		3,939,533
Total assets less current liabilities			7,028,971		4,465,090
Creditors: amounts falling due after more than one year	6		(5,010,000)		(2,505,000)
Net assets			2,018,971		1,960,090
Capital and reserves					
Called up share capital	7		20,000		20,000
Share premium account			1,880,000		1,935,000
Profit and loss account			118,971		5,090
Total shareholders' funds			2,018,971		1,960,090

The abbreviated financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and SI 2008/409 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 3 to 10 were approved by the board of directors on 19 September 2014 and were signed on its behalf by:



M C Kleibergen

Director

Registered number 07697487

Sonste Limited

Statement of accounting policies

Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Restatement of balance sheet and related debtors note

The directors have reclassified amounts owed by group undertakings as greater than one year in line with the loan agreement. This has no impact on the profit in the period but does act to reduce net current assets by £373,808.

Consolidation

In the opinion of the directors, the company and its subsidiary undertaking constitute a small group. The company has therefore taken advantage of the exemption provided by section 398 of the Companies Act 2006 not to prepare group accounts.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Turnover

Turnover comprises income receivable from the electricity generated during the period. Any un-invoiced income is accrued in the period in which it has been generated.

Tangible assets and depreciation

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant and machinery - 4% and 10% straight line

Plant and machinery represents the costs of construction of solar plants: solar panels, civil/structural and electrical costs, grid connection, planning and professional fees capitalised and depreciated at 4% per annum on a straight line basis. Costs of transformers, inverters and cabling are being depreciated at 10% per annum on a straight line basis.

Financial instruments

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 entity after deducing all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Sonste Limited

Statement of accounting policies (continued)

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Sonste Limited

Notes to the abbreviated financial statements for the year ended 31 December 2013

1 Intangible assets

	Goodwill
	£
Cost	
At 1 January 2013	488,602
Transfer to investments	(488,602)
At 31 December 2013	-
Accumulated amortisation	
At 1 January 2013	3,257
Transfer to investments	(3,257)
At 31 December 2013	-
Net book value	
At 31 December 2013	-
At 31 December 2012	485,345

It was identified during the year that balances within goodwill relate to fixed asset investments which have been transferred accordingly (note 3).

2 Tangible assets

	Plant and machinery
	£
Cost	
At 1 January 2013 and 31 December 2013	41,204
Accumulated depreciation	
At 1 January 2013	993
Charge for the year	12,765
At 31 December 2013	13,758
Net book value	
At 31 December 2013	27,446
At 31 December 2012	40,211

Sonste Limited

Notes to the abbreviated financial statements for the year ended 31 December 2013 (continued)

3 Investments

	Subsidiary undertakings £
Cost	
At 1 January 2013	1
Transfer from intangible assets	485,345
Additions	488,603
At 31 December 2013	973,949
Net book value	
At 31 December 2013	973,949
At 31 December 2012	1

The company owns 100% of the ordinary share capital of MSP Strete Limited, a company registered in England and Wales.

It was identified during the year that balances within goodwill relate to fixed asset investments which have been transferred accordingly (note 1).

Sonste Limited

Notes to the abbreviated financial statements for the year ended 31 December 2013 (continued)

4 Debtors

	2013 £	2012 £
Amounts owed by group undertakings	6,385,330	373,808
Trade debtors	6,565	-
VAT recoverable	-	284,956
Other debtors	-	3,190
Prepayments and accrued income	-	1,153,143
	6,391,895	1,815,097

Included within other debtors is unpaid share capital of £0.20 (2012: £0.20).

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £6,385,330 (2012: £373,808). The loans bear interest at 8% (2012: 8%), and are repayable after more than five years.

5 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	119,618	376,622
Amounts owed to group undertakings	543,103	-
Accruals and deferred income	205,497	3,364
Other creditors including taxation and social security	28,852	-
	897,070	379,986

Sonste Limited

Notes to the abbreviated financial statements for the year ended 31 December 2013 (continued)

6 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Debenture loans	5,010,000	2,505,000

Included within debenture loans is an amount of £5,010,000 (2012: £2,505,000) which is secured by a fixed and floating charge over the assets of the company and is repayable in more than five years.

7 Called up share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
2,000,000 (2012: 2,000,000) B ordinary shares of £0.01 each	20,000	20,000

8 Related party transactions

During the year ended 31 December 2013, the company was charged £nil (2012: £221,981), £10,473 (2012: £nil) and £3,747 (2012: £25,633) in respect of project development costs, management fees and rechargeable expenses respectively by Lightsource Renewable Energy Limited, a related party due to its significant influence over the entity. At the year end, an amount of £nil (2012: £219,136) was outstanding which is included in trade creditors. Lightsource Renewable Energy Limited is the holder of the deferred shares in issue.

During the year, monitoring fees of £84,615 (2012: £nil) and arrangement fees of £nil (2012: £45,000) were charged by Octopus Investments Limited, a related party due to its significant influence over the entity. Octopus Investments Limited also recharged legal fees totalling £915 (2012: £3,000) to the company. At the year end, an amount of £19,418 (2012: £nil) was outstanding which is included in trade creditors.

During the year, the company met expenditure of £4,794,039 (2012: £321,997) and received revenue of £587,662 (2012: £nil) on behalf of its wholly owned subsidiary, MSP Strete Limited. The company also charged interest of £422,936 (2012: £29,599) to MSP Strete Limited. At 31 December 2013, £5,842,227 (2012: £373,808) was outstanding of which £6,385,330 (2012: £373,808) is included in debtors and £543,103 (2012: £nil) is included in creditors.

Sonste Limited

Notes to the abbreviated financial statements for the year ended 31 December 2013 (continued)

During the year, a loan totalling £2,505,000 (2012: £2,505,000) was received from Fern Trading Limited, a related party due to its significant influence over the entity. Interest of £200,973 (2012: £256) has been charged to the company during the year. The loan amount owing to Fern Trading limited at the end of the year was £5,010,000 (2012: £2,505,000).

9 Ultimate parent undertaking and controlling party

The directors do not consider the company to have an ultimate controlling party or parent company, by virtue of a split holding in its shares. The results of the company are not consolidated within any other company.