

Company Registration No. 08084105 (England and Wales)

AMBER SOLAR PARKS (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



AMBER SOLAR PARKS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	C J Tanner J M Linney Dr G La Loggia
Secretary	HCP Management Services Limited
Company number	08084105
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	Deloitte LLP Statutory Auditor London United Kingdom
Bankers	HSBC Bank PLC 8 Canada Square London E14 5HQ

AMBER SOLAR PARKS (HOLDINGS) LIMITED

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AMBER SOLAR PARKS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their annual report and audited financial statements for the year ended 31 December 2018.

Principal activities

The Company operates principally as a holding company for Amber Solar Parks Limited. The principal activity of the Group is the generation of renewable energy through harnessing solar power and supplying energy produced to the national grid. The Group currently owns two solar parks in Hampshire and Berkshire.

The directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate. More information is provided in note 1 to the financial statements.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

C J Tanner
J M Linney
Dr G La Loggia

Results

The results for the year are set out on page 7.

Qualifying third party indemnity provisions

The Group has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

Financial risk management objectives and policies

Liquidity risk

The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business. The Group has debt facilities with its parent company to ensure that the Group has sufficient funds over the life of the project.

Interest rate risk

The Group's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Group uses a fixed rate loan to limit this risk.

Exposure to market prices

The Company is exposed to long term electricity market prices for the sale of power. This risk has been partially mitigated by the Group entering a short term fixed price Power Purchase Agreement ('PPA'). Five Oaks and Fryingdown have signed a contract with Smartest Energy Limited on 1 October 2018, expiring on 31 March 2019, at a unit price of £52.00/MWh.

From the 1 April 2019 until 30 September 2019, the Power Purchase Agreement has been signed with Bristol Energy at a unit price of £67.30/MWh at Five Oaks and £67.50/MWh at Fryingdown.

From 1 October 2019 to 31 March 2020, the price will be fixed at £65.50/MWh for Five Oaks Solar park ('FO') and £65.50/MWh for Fryingdown Solar Park ('FD'). Both sites were signed with Blub Energy Ltd.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Credit risk

The Group's principal financial assets are cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables and accrued income which are with two counterparties. The Group monitors the financial standing of those counterparties in order to manage their credit risk.

Energy yield risk

The Group has, in preparing the project, engaged consultants to assess long term irradiation predictions and consequent energy yield for the given solar parks. It is recognised that while best practice methodologies were used to the Funder's satisfaction, there still remains a risk that energy yield may be less (or more) than modelled. The project was financed on an assumption that realistic downsides would not materially jeopardise the project. The Group will continue to monitor performance against the modelled plan.

Future developments

The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the next year.

Auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

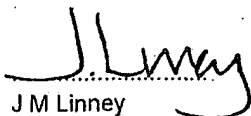
Each of the Directors in office at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



J M Linney

Director

Date: 18 Sept 19

AMBER SOLAR PARKS (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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 FRS 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 Group and Company, and of the profit or loss of the Group 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 Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMBER SOLAR PARKS (HOLDINGS) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Amber Solar Parks (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') :

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Group statement of comprehensive income;
- the Group balance sheet;
- the Company balance sheet;
- the Group statement of changes in equity;
- the Company statement of changes in equity;
- the Group statement of cash flows; and
- the related notes on pages 13 - 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's ('FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMBER SOLAR PARKS (HOLDINGS) LIMITED

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters 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 group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMBER SOLAR PARKS (HOLDINGS) LIMITED

Matters on which we are required to report by exception

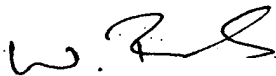
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 take advantage of the 'small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



William Brooks FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London

United Kingdom

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18/9/19

AMBER SOLAR PARKS (HOLDINGS) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Turnover	3	4,181	3,691
Cost of sales		(292)	(251)
Gross profit		3,889	3,440
Administrative expenses		(1,558)	(1,541)
Operating profit	4	2,331	1,899
Interest payable and similar expenses	7	(1,049)	(1,141)
Profit before taxation		1,282	758
Tax on profit	8	(2)	(271)
Profit for the financial year		1,280	487

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

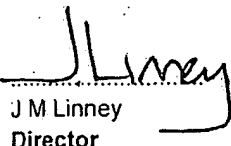
AMBER SOLAR PARKS (HOLDINGS) LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	9	9,187	9,703
Tangible assets	10	16,558	17,415
		<u>25,745</u>	<u>27,118</u>
Current assets			
Debtors falling due after more than one year	13	59	59
Debtors falling due within one year	13	305	471
Cash at bank and in hand		3,706	884
		<u>4,070</u>	<u>1,414</u>
Creditors: amounts falling due within one year	14	(1,792)	(2,726)
Net current assets/(liabilities) being total assets less current liabilities		<u>2,278</u>	<u>(1,312)</u>
Total assets less current liabilities		<u>28,023</u>	<u>25,806</u>
Creditors: amounts falling due after more than one year	15	(15,940)	(14,694)
Provisions for liabilities	17	(1,115)	(1,423)
Net assets		<u><u>10,968</u></u>	<u><u>9,689</u></u>
Capital and reserves			
Called up share capital	19	5,747	5,747
Other reserves		5,368	5,368
Profit and loss reserves	19	(147)	(1,426)
Total equity		<u><u>10,968</u></u>	<u><u>9,689</u></u>

The financial statements were approved by the board of directors and authorised for issue on 18 Sept 19 and are signed on its behalf by:


J M Linney
Director

AMBER SOLAR PARKS (HOLDINGS) LIMITED

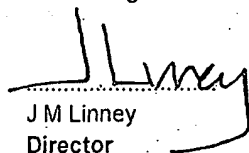
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018	2017
	Notes	£'000	£'000
Fixed assets			
Investments	11	11,115	11,115
Current assets			
Debtors falling due after more than one year	13	665	650
Debtors falling due within one year	13	16	18
		681	668
Creditors: amounts falling due within one year	14	(16)	(18)
Net current assets		665	650
Total assets less current liabilities		11,780	11,765
Creditors: amounts falling due after more than one year	15	(651)	(636)
Net assets		11,129	11,129
Capital and reserves			
Called up share capital	19	5,747	5,747
Other reserves		5,368	5,368
Profit and loss reserves		14	14
Total equity		11,129	11,129

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £Nil (2017: £Nil).

The financial statements were approved by the board of directors and authorised for issue on 18 Sept 19 and are signed on its behalf by:


J M Linney
Director

Company Registration No. 08084105

AMBER SOLAR PARKS (HOLDINGS) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2017	5,747	5,368	(1,913)	9,202
Year ended 31 December 2017:				
Profit and total comprehensive income for the year	-	-	487	487
Balance at 31 December 2017	5,747	5,368	(1,426)	9,689
Year ended 31 December 2018:				
Profit and total comprehensive income for the year	-	-	1,280	1,280
Balance at 31 December 2018	5,747	5,368	(147)	10,968

AMBER SOLAR PARKS (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2017	5,747	5,368	14	11,129
Year ended 31 December 2017:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 31 December 2017	5,747	5,368	14	11,129
Year ended 31 December 2018:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 31 December 2018	5,747	5,368	14	11,129

AMBER SOLAR PARKS (HOLDINGS) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	23	3,884	3,727
Interest paid		(1,037)	(1,182)
Income taxes refunded/(paid)		15	(3)
Net cash inflow from operating activities		<u>2,862</u>	<u>2,542</u>
Investing activities			
Purchase of tangible assets		(1)	(1)
Net cash used in investing activities		<u>(1)</u>	<u>(1)</u>
Financing activities			
Repayment of borrowings		(39)	(3,721)
Dividends paid to equity shareholders		-	-
Net cash used in financing activities		<u>(39)</u>	<u>(3,721)</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,822</u>	<u>(1,180)</u>
Cash and cash equivalents at beginning of year		884	2,064
Cash and cash equivalents at end of year		<u><u>3,706</u></u>	<u><u>884</u></u>

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Amber Solar Parks (Holdings) Limited is a private company limited by shares, domiciled and incorporated in the United Kingdom and registered in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in pounds sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below and have been applied consistently in the current and prior year.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its parent financial statements. The Company is consolidated in these financial statements. Exemptions have been taken in these parent company financial statements in relation to presentation of a company statement of cashflows.

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 December each year. The subsidiary has a year ended of 31 December 2018.

1.3 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Licences, planning permission and development

25 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25 years straight line
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the balance sheet, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised immediately in the statement of comprehensive income except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 Group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Derivatives

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

The Group does not hold or issue derivative financial instruments for speculative purposes.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.14 Provisions

Decommissioning

Provisions for future decommissioning costs is made in full when the Group has an obligation to dismantle and remove a facility and to restore the site on which it is located, and when a reasonable estimate of that liability can be made.

The amount recognised is the present value of the estimated future expenditure. An amount equivalent to the discounted initial provision for decommissioning costs is capitalised as part of the underlying fixed asset and depreciated over the life of that asset. Any change in the present value of the estimated expenditure resulting from changes in expected cash flows, inflation or discount rate is reflected as an adjustment to the provision and the underlying asset.

The unwinding of the discount is recognised as a finance cost in or in the period it arises.

Other

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Power Purchase Agreement

The Directors have considered whether the Power Purchase Agreement entered into by the Group meets the definition of a derivative under FRS 102 in the context of characteristics of derivative contracts set out within the definition. The Power Purchase Agreement was entered into and continues to be held for the purpose of the Group delivering electrical output to be received by the offtaker in accordance with the requirements set out in the contract, and therefore is not considered to be a financial instrument.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Decommissioning provision

The Group has a decommissioning provision resulting from its obligation at the end of the license period to return the solar park sites to their original state and condition. The calculation used to estimate the future expected cost of decommissioning the site is based on a historic estimate of per panel costs plus anticipated fixed cost overheads provided by a qualified third party consultant, discounted back to present value at a suitable discount rate. The net present value of the provision at the balance sheet date £881,000 (2017: £862,000). Details of the provision are set out in Note 19. The Directors will continue to monitor market prices for decommissioning works for indications of material changes to the assumptions underlying the decommissioning provision calculation.

Recoverability of tangible fixed assets

During the year, management reconsidered the recoverability of the tangible fixed assets included in the balance sheet of £16,558,000 (2017: £17,415,000). The project continues to perform in a satisfactory manner, however, due to a reduction in expected future floating power prices received and historical performance against budget, management has reconsidered the power price and generation assumptions reflected in its long-term projections. Detailed sensitivity analysis has been carried out and management is confident that the carrying amount of the tangible fixed assets will be recovered in full through use. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that adjustments are appropriate.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover and other revenue

An analysis of the Group's turnover is as follows:

	2018 £'000	2017 £'000
Turnover analysed by class of business		
Feed in Tariff revenue	3,675	3,231
Power Purchase Agreement revenue	506	460
	<u>4,181</u>	<u>3,691</u>
Turnover analysed by geographical market		
	2018 £'000	2017 £'000
United Kingdom	<u>4,181</u>	<u>3,691</u>

Turnover is derived from the sale of electricity and the sale of renewable energy certificates to two third party energy suppliers in the UK. Turnover is recognised at the point of generation.

4 Operating profit

	2018 £'000	2017 £'000
Operating profit for the year is stated after charging:		
Exchange (gains)/losses	-	1
Depreciation of owned tangible fixed assets	861	871
Amortisation of intangible assets	516	508
Operating lease charges	115	112
Audit of the Company and the Company's subsidiaries	<u>16</u>	<u>15</u>

Amortisation of intangible assets is included within administrative expenses.

5 Employees

The Group had no employees during the current or prior year.

6 Directors' remuneration

No directors received any remuneration for services to the Group during the current or prior year.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Interest payable and similar expenses

	2018 £'000	2017 £'000
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	1,034	1,127
Other finance costs:		
Unwinding of discount on provisions	15	14
Total finance costs	1,049	1,141

8 Taxation

	2018 £'000	2017 £'000
Current tax		
UK corporation tax on profits for the current period	329	131
Deferred tax		
Origination and reversal of timing differences	20	65
Changes in tax rates	(2)	(17)
Adjustment in respect of prior periods	(345)	14
Tax losses carried forward	-	78
Total deferred tax	(327)	140
Total tax charge	2	271

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £'000	2017 £'000
Profit before taxation	1,282	758
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	244	146
Tax effect of expenses that are not deductible in determining taxable profit	105	128
Effect of change in corporation tax rate	(2)	(17)
Prior year adjustments	(345)	14
Taxation charge	2	271

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Taxation

(Continued)

For the year ended 31 December 2018, the UK corporation tax rate of 19% is applied.

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective 1 April 2017 and to 18% effective 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provided a further reduction in the main rate of corporation tax to 17% effective 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

9 Intangible fixed assets

Group	Licences, planning permission and development
	£'000
Cost	
At 1 January 2018	12,418
Amortisation and impairment	
At 1 January 2018	2,715
Amortisation charged for the year	516
At 31 December 2018	3,231
Carrying amount	
At 31 December 2018	9,187
At 31 December 2017	9,703

The company had no intangible fixed assets at 31 December 2018 or 31 December 2017.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Tangible fixed assets

Group	Plant and equipment
	£'000
Cost	
At 1 January 2018	22,745
Other changes	4
At 31 December 2018	22,749
Depreciation and impairment	
At 1 January 2018	5,330
Depreciation charged in the year	861
At 31 December 2018	6,191
Carrying amount	
At 31 December 2018	16,558
At 31 December 2017	17,415

The company had no tangible fixed assets at 31 December 2018 or 31 December 2017.

Following a review of the discount rate applied to the decommissioning provision at 31 December 2018, an adjustment of £4,000 (2017: £17,000) has been included in other changes within the carrying value of tangible fixed assets.

11 Fixed asset investments

	Notes	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Investments in subsidiaries	12	-	-	11,115	11,115

12 Subsidiaries

Details of the Company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Amber Solar Parks Limited	8 White Oak Square, London Road, Swanley, BR8 7AG	Holding company	Ordinary shares	100	
Five Oaks Solar Park Limited	8 White Oak Square, London Road, Swanley, BR8 7AG	Dormant entity	Ordinary shares		100
Fryingdown Solar Park Limited	8 White Oak Square, London Road, Swanley, BR8 7AG	Dormant entity	Ordinary shares		100

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Debtors

Amounts falling due within one year:

	Notes	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Trade debtors		27	139	-	-
Corporation tax recoverable		171	171	-	-
Amounts due from subsidiary undertakings		-	-	16	18
Prepayments and accrued income		107	161	-	-
		<u>305</u>	<u>471</u>	<u>16</u>	<u>18</u>

Amounts falling due after more than one year:

Amounts due from subsidiary undertakings		-	-	665	650
Other debtors		59	59	-	-
		<u>59</u>	<u>59</u>	<u>665</u>	<u>650</u>

Total debtors		<u>364</u>	<u>530</u>	<u>681</u>	<u>668</u>
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14 Creditors: amounts falling due within one year

		Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Trade creditors		-	7	-	-
Amounts owed to parent undertakings	16	1,022	2,295	16	18
Corporation tax payable		457	128	-	-
Other taxation and social security		30	4	-	-
Inter company accrued interest		242	243	-	-
Accruals and deferred income		41	49	-	-
		<u>1,792</u>	<u>2,726</u>	<u>16</u>	<u>18</u>

15 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Amounts due to parent undertaking	16	<u>15,940</u>	<u>14,694</u>	<u>651</u>	<u>636</u>

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15 Creditors: amounts falling due after more than one year

(Continued)

Amounts included above which fall due after five years are as follows:

Payable by instalments	9,948	10,034	-	-
Payable other than by instalments	-	1,286	-	636
	<u>9,948</u>	<u>11,320</u>	<u>-</u>	<u>636</u>

16 Loans and overdrafts

	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Loans due to parent undertakings	<u>16,943</u>	<u>16,888</u>	<u>651</u>	<u>636</u>
Payable within one year	1,003	2,194	-	-
Payable after one year	<u>15,940</u>	<u>14,694</u>	<u>651</u>	<u>636</u>
	<u>16,943</u>	<u>16,888</u>	<u>651</u>	<u>636</u>

The loans are secured by a fixed and floating charge over all the assets of the Group and a charge over the shares of the Group.

Senior debt

On 3 April 2014 the Group entered into a principal loan agreement with its parent company for the amount of £24,386,000 bearing an interest rate of 5.65%, stepping up to 5.9% on 30 June 2017. Loan repayments are made in instalments over the life of the loan by 31 December 2032 based on an agreed repayment profile. The principal amount of the Group's unsecured senior debt fixed rate loan notes outstanding at 31 December 2018 was £16,292,000 (2017: £16,346,000). Repayments of £54,000 (2017: £3,721,000) were made during the year and interest accrued as at 31 December 2018 was £242,000 (2017: £243,000).

Subordinated debt

The Group also has a £651,000 unsecured debt fixed rate loan from its parent company maturing in June 2036 bearing an interest rate of 9.8% per annum. Interest accrued as at 31 December 2018 was £16,430 (2017: £9,132). The loan is repayable on demand, however, the parent company has no intention of demanding repayment until such time as the Group has sufficient funds.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Provisions for liabilities

	Notes	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Decommissioning provision		881	862	-	-
Deferred tax liabilities	18	234	561	-	-
		<u>1,115</u>	<u>1,423</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

Group	Decommissioning provision £'000
At 1 January 2018	862
Unwinding of discount	15
Adjustment for change in discount rate	4
At 31 December 2018	<u>881</u>

The Group's decommissioning provision results from its obligation at the end of the license period to return the solar park sites to their original state and condition. The Company has estimated the net present value of the decommissioning provision to be £881,000 as at 31 December 2018 (2017: £862,000) based on an undiscounted total future liability of £1,182,000 (2017: £1,182,000). The discount factor, being the risk free rate related to the liability, was 1.70% as at 31 December 2018 (2017: 1.68%).

18 Deferred taxation

Deferred tax assets and liabilities are offset where the Group or Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2018 £'000	Liabilities 2017 £'000
Accelerated capital allowances	<u>234</u>	<u>561</u>

The Company has no deferred tax assets or liabilities.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

18 Deferred taxation

(Continued)

	Group 2018 £'000	Company 2018 £'000
Movements in the year:		
Liability at 1 January 2018	561	-
Credit to profit or loss	(329)	-
Effect of change in tax rate - profit or loss	2	-
Liability at 31 December 2018	<u>234</u>	<u>-</u>

19 Share capital

	Group and Company 2018 £'000	2017 £'000
Ordinary share capital		
Issued and fully paid		
5,739,158 Class A ordinary shares of £1 each	5,739	5,739
1,000 Class B ordinary shares of £1 each	1	1
6,000 Class C ordinary shares of £1 each	6	6
500 Class D and 500 Class E ordinary shares of £1 each	1	1
	<u>5,747</u>	<u>5,747</u>

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 Share capital

(Continued)

Any dividends declared by the Company shall be apportioned as follows: B Shareholders have the right to dividends proportionate to the aggregate nominal value of their shares. D Shareholders have the right to 10% of the total dividend and E Shareholders have the right to 19.75% of the total dividend. C Shareholders have the right to the remaining dividend. A Shareholders carry the right to a return only of the nominal value of the shares in the event of a sale or winding up of the Company.

Each holders of Class A Shares, Class B Shares, Class D Shares and Class E Shares have the right to appoint one Director of the Company. Class C Shareholders have the right to appoint one or more persons as Director/Directors of the Company. Such Directors may only be revoked by the holders of the respective Class of shares under which the Director was originally appointed. Voting rights are in line with appointment of directors.

Profit and loss reserves

The profit and loss reserve represents cumulative profits or losses.

Other reserves

The Company issued shares at a premium in 2012 through a transaction that fell within s615 of the Companies Act and elected to reflect this premium as a merger reserve. There has been no movement in the Group during the year.

20 Operating lease commitments

Lessee

The Group has entered into lease arrangements with land owners expiring on 1 August 2037 for Fryingdown and 12 October 2037 for Five Oaks respectively.

At the reporting end date the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Within one year	110	110	-	-
Between two and five years	441	441	-	-
In over five years	1,507	1,618	-	-
	<u>2,058</u>	<u>2,169</u>	<u>-</u>	<u>-</u>

21 Controlling party

The Company's ultimate parent and controlling entity is John Laing Environmental Assets Group Limited, a company incorporated in Guernsey, Channel Islands, with a registered address of Samia House, Le Truchot, St. Peter Port, Guernsey, GY1 4NA.

Copies of the financial statements of John Laing Environmental Assets Group Limited are available from the website www.jlen.com.

AMBER SOLAR PARKS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

22 Related party transactions

As a wholly owned subsidiary of John Laing Environmental Assets Group (UK) Limited, the Company has taken advantage of the exemption under FRS 102 Section 33 not to provide information on related party transactions with other undertakings in the John Laing Environmental Assets Group (UK) Limited group. A copy of the published financial statements of John Laing Environmental Assets Group (UK) Limited can be obtained from Companies House.

23 Cash generated from group operations

	2018 £'000	2017 £'000
Profit for the year after tax	1,280	487
Adjustments for:		
Taxation charged	2	271
Finance costs	1,049	1,141
Amortisation and impairment of intangible assets	516	503
Depreciation and impairment of tangible fixed assets	861	871
Movements in working capital:		
Decrease in debtors	166	459
Increase/(decrease) in creditors	10	(5)
Cash generated from operations	<u>3,884</u>	<u>3,727</u>