

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**

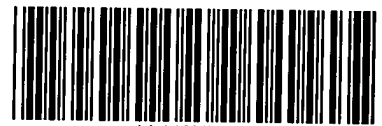
**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**FOR**

**SUNSHARE COMMUNITY NOTTINGHAM PLC**

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**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**SUNSHARE COMMUNITY NOTTINGHAM PLC**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**DIRECTORS:**

Dr K Hard  
M R Wakeford  
J R Wakeford

**SECRETARY:**

M N Smith

**REGISTERED OFFICE:**

27 Eldon Business Park  
Chilwell  
Nottingham  
Nottinghamshire  
NG9 6DZ

**REGISTERED NUMBER:**

08198799 (England and Wales)

**AUDITORS:**

Lemans  
Statutory Auditor  
29 Arboretum Street  
Nottingham  
Nottinghamshire  
NG1 4JA

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

The directors present their strategic report for the year ended 30 September 2014.

The company had constructed and commissioned during 2012 a portfolio of solar array's on a portfolio of buildings owned by Nottingham City Council which include schools, leisure centres and Sure Start centres.

These generate and provide the building tenants with low carbon electricity at attractive rates, and provide future comfort against the volatility of retail electricity prices under Power Purchase Agreements. In addition the company also receives revenue under the governments Feed-In- Tariff (FIT) over the next 20 years. The FIT increases annually in accordance with the Retail Prices Index in the UK.

**REVIEW OF BUSINESS**

Details of the company's trading position for the period are shown on page 7. During the period the generation of the portfolio has performed according to expectations.

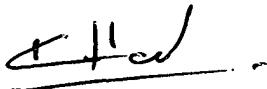
The company originally received funding for this project from its parent company Stepnell Limited, however with the portfolio proven and generating, the company completed in the period under review a debenture offer to the public via a crowd funding platform. The debentures , in return for re-financing the portfolio provide a 6.5% annual return and six monthly capital repayments over a 19 year duration.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company bears the risk of solar irradiation and system performance and has in place an operation and maintenance agreement with EvoEnergy Limited, the solar specialist who built and commissioned the portfolio, to mitigate the latter.

Future increase in revenue is linked to the Retail Price Index in the UK which is currently at historic lows. The original developer, Stepnell Limited, have agreed to mitigate this risk by leaving there remaining loan capital and accrued interest as Other Loans due after more than 1 year.

**ON BEHALF OF THE BOARD:**



.....  
Dr K Hard - Director

Date: 26 March 2015

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

The directors present their report with the financial statements of the company for the year ended 30 September 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of solar energy generator to a portfolio of Nottingham City Council properties.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 September 2014.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2013 to the date of this report.

Dr K Hard  
M R Wakeford  
J R Wakeford

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

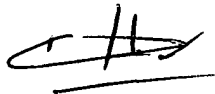
**SUNSHARE COMMUNITY NOTTINGHAM PLC (REGISTERED NUMBER: 08198799)**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**



.....  
Dr K Hard - Director

Date: 26 March 2015

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SUNSHARE COMMUNITY NOTTINGHAM PLC**

We have audited the financial statements of Sunshare Community Nottingham Plc for the year ended 30 September 2014 on pages six to fourteen. 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).

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 a Report of the Auditors 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 set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its loss for the year 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year 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.

*Lemans.*

Adrian Roy Harby (Senior Statutory Auditor)  
for and on behalf of Lemans  
Statutory Auditor  
29 Arboretum Street  
Nottingham  
Nottinghamshire  
NG1 4JA

Date: 26 March 2015

**SUNSHARE COMMUNITY NOTTINGHAM PLC (REGISTERED NUMBER: 08198799)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Notes	Year Ended 30.9.14 £	Period 3.9.12 to 30.9.13 £
<b>TURNOVER</b>		112,161	94,995
Administrative expenses		66,050	56,584
<b>OPERATING PROFIT</b>	3	46,111	38,411
Interest payable and similar charges	4	53,964	35,300
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(7,853)	3,111
Tax on (loss)/profit on ordinary activities	5	-	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(7,853)	3,111

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous period.



**SUNSHARE COMMUNITY NOTTINGHAM PLC (REGISTERED NUMBER: 08198799)****BALANCE SHEET**  
**30 SEPTEMBER 2014**

	Notes	30.9.14 £	£	30.9.13 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		785,656		829,168
<b>CURRENT ASSETS</b>					
Debtors	7	137,845		76,884	
Cash at bank		219,026		69,692	
		<u>356,871</u>		<u>146,576</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>169,182</u>		<u>104,233</u>	
<b>NET CURRENT ASSETS</b>			<u>187,689</u>		<u>42,343</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			973,345		871,511
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		<u>928,087</u>		<u>818,400</u>
<b>NET ASSETS</b>			<u>45,258</u>		<u>53,111</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		50,000		50,000
Profit and loss account	12		<u>(4,742)</u>		<u>3,111</u>
<b>SHAREHOLDERS' FUNDS</b>	15		<u>45,258</u>		<u>53,111</u>

The financial statements were approved by the Board of Directors on 26 March 2015 and were signed on its behalf by:



.....  
Dr K Hard - Director



.....  
M R Wakeford - Director

The notes form part of these financial statements

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Notes	Year Ended 30.9.14 £	£	Period 3.9.12 to 30.9.13 £	£
<b>Net cash inflow from operating activities</b>	1		127,222		63,568
<b>Returns on investments and servicing of finance</b>	2		(53,964)		(35,300)
<b>Capital expenditure</b>	2		-		(870,245)
			73,258		(841,977)
<b>Financing</b>	2		76,076		911,669
<b>Increase in cash in the period</b>			149,334		69,692
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase in cash in the period		149,334		69,692	
Cash inflow from increase in debt		(76,076)		(899,169)	
Change in net debt resulting from cash flows			73,258		(829,477)
<b>Movement in net debt in the period</b>			73,258		(829,477)
<b>Net debt at 1 October</b>			(829,477)		-
<b>Net debt at 30 September</b>			(756,219)		(829,477)

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Year Ended 30.9.14 £	Period 3.9.12 to 30.9.13 £
Operating profit	46,111	38,411
Depreciation charges	43,512	41,077
Increase in debtors	(60,961)	(39,384)
Increase in creditors	98,560	23,464
<b>Net cash inflow from operating activities</b>	<b>127,222</b>	<b>63,568</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	Year Ended 30.9.14 £	Period 3.9.12 to 30.9.13 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(53,964)	(35,300)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(53,964)</b>	<b>(35,300)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	-	(870,245)
<b>Net cash outflow for capital expenditure</b>	<b>-</b>	<b>(870,245)</b>
<b>Financing</b>		
New loans in year	-	899,169
Debenture in year	896,000	-
Loan repayments in year	(805,777)	-
Debenture repayments in year	(14,147)	-
Share issue	-	12,500
<b>Net cash inflow from financing</b>	<b>76,076</b>	<b>911,669</b>

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.10.13 £	Cash flow £	At 30.9.14 £
Net cash:			
Cash at bank	69,692	149,334	219,026
	<u>69,692</u>	<u>149,334</u>	<u>219,026</u>
Debt:			
Debts falling due within one year	(80,769)	33,611	(47,158)
Debts falling due after one year	(818,400)	(109,687)	(928,087)
	<u>(899,169)</u>	<u>(76,076)</u>	<u>(975,245)</u>
Total	<u>(829,477)</u>	<u>73,258</u>	<u>(756,219)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

**Turnover**

Turnover represents income received under energy contract supply agreements and feed in tariffs, excluding value added tax.

Turnover in respect of both energy supplied and generation tariffs is accrued as generated.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 5% on cost

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**2. STAFF COSTS**

There were no staff costs for the year ended 30 September 2014 nor for the period ended 30 September 2013.

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	Year Ended 30.9.14 £	Period 3.9.12 to 30.9.13 £
Other operating leases	-	1,800
Depreciation - owned assets	43,512	41,077
Auditors' remuneration	3,000	3,000
	<u>          </u>	<u>          </u>
Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 30.9.14 £	Period 3.9.12 to 30.9.13 £
Debenture interest	43,078	-
Loan interest	10,886	35,300
	<u>          </u>	<u>          </u>
	53,964	35,300
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 30 September 2014 nor for the period ended 30 September 2013.

**6. TANGIBLE FIXED ASSETS**

	Plant and machinery £
<b>COST</b>	
At 1 October 2013	
and 30 September 2014	870,245
<b>DEPRECIATION</b>	
At 1 October 2013	41,077
Charge for year	43,512
At 30 September 2014	84,589
<b>NET BOOK VALUE</b>	
At 30 September 2014	785,656
At 30 September 2013	829,168

**7. DEBTORS**

	30.9.14 £	30.9.13 £
Amounts falling due within one year:		
Trade debtors	9,218	4,840
Other debtors	26,236	-
Prepayments and accrued income	64,891	34,544
	<u>100,345</u>	<u>39,384</u>
Amounts falling due after more than one year:		
Called up share capital not paid	<u>37,500</u>	<u>37,500</u>
Aggregate amounts	<u>137,845</u>	<u>76,884</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.14 £	30.9.13 £
Debentures (see note 10)	47,158	-
Other loans (see note 10)	-	80,769
Trade creditors	77,965	7,662
Social security and other taxes	-	3,355
Accrued expenses	44,059	12,447
	<u>169,182</u>	<u>104,233</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.9.14	30.9.13
	£	£
Debentures (see note 10)	834,695	-
Other loans (see note 10)	93,392	818,400
	<u>928,087</u>	<u>818,400</u>

During the year the company refinanced its long term debt by issuing debentures which were offered for sale under a Crowd Funding Project. The total amount received under these debentures amounted to £896,000. The debentures carry a fixed rate of interest of 6.5% and are repayable in equal instalments over a 19 year term.

**10. LOANS**

An analysis of the maturity of loans is given below:

	30.9.14	30.9.13
	£	£
Amounts falling due within one year or on demand:		
Debentures	47,158	-
Other loans	-	80,769
	<u>47,158</u>	<u>80,769</u>

Amounts falling due between one and two years:

Debentures - 1-2 years	47,158	-
Other loans - 1-2 years	-	80,769
	<u>47,158</u>	<u>80,769</u>

Amounts falling due between two and five years:

Debentures - 2-5 years	141,474	-
Other loans	-	242,308
	<u>141,474</u>	<u>242,308</u>

Amounts falling due in more than five years:

Repayable by instalments		
Debentures	646,063	-
Other loans	93,392	495,323
	<u>739,455</u>	<u>495,323</u>

**11. CALLED UP SHARE CAPITAL**

Allotted and issued:

Number:	Class:	Nominal value:	30.9.14	30.9.13
			£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**12. RESERVES**

	Profit and loss account £
At 1 October 2013	3,111
Deficit for the year	(7,853)
At 30 September 2014	<u>(4,742)</u>

**13. ULTIMATE PARENT COMPANY**

Stepnell Limited is regarded by the directors as being the company's ultimate parent company.

**14. RELATED PARTY DISCLOSURES**

**Stepnell Limited**

A company which owns 51% of the share capital.

Included in creditors is a loan from Stepnell Limited which at 30 September 2014 amounted to £93,392 (2013 £863,869).

Interest for the year was charged at a rate of 3.5% (2013 - 3.5%). During the year, interest amounting to £10,886 (2013 - £35,300) had accrued and charged to the profit and loss account.

	30.9.14 £	30.9.13 £
Amount due to related party at the balance sheet date	<u>156,234</u>	<u>899,169</u>

**EvoEnergy Limited**

A company which owns 49% of the share capital.

EvoEnergy Limited built and installed the assets and has an ongoing operating and maintenance contract with the company.

The transactions charged to the profit and loss account amount to £9,575 (2013 - £8,947), included in repairs and renewals.

	30.9.14 £	30.9.13 £
Amount due to related party at the balance sheet date	<u>4,787</u>	<u>10,947</u>

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.9.14 £	30.9.13 £
(Loss)/profit for the financial year	(7,853)	3,111
New share capital subscribed	-	50,000
<b>Net (reduction)/addition to shareholders' funds</b>	<u>(7,853)</u>	<u>53,111</u>
Opening shareholders' funds	53,111	-
<b>Closing shareholders' funds</b>	<u>45,258</u>	<u>53,111</u>