

Registered No: 08489215

Bodwen Solar Project Limited

Annual Report and Financial Statements

for the 9 Months ended 31 December 2016



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Bodwen Solar Project Limited

Company Information

Directors

Mr Alexander Sauer
Dr Benedikt Ortmann

Registered Office

22 Chancery Lane
London
England
WC2A 1LS

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Directors' Report for the 9 Months Ended 31 December 2016

The directors present their report and the financial statements for the period ended 31 December 2016.

Directors of the Company

The directors who held office during the year and subsequently were as follows:

Mr R Kilduff (resigned 28 July 2016)

Mr T Kilduff (resigned 28 July 2016)

Mr C Murphy (resigned 28 July 2016)

Mr J Walsh (resigned 28 July 2016)

Mr A Sauer (appointed 28 July 2016)

Dr B Ortmann (appointed 28 July 2016)

Principal activity

The principal activity of the Company is to generate electricity. The solar farm is located at Land West of Bodwen, Bugle, St Austell PL26 8RP with 5MW capacity. Construction of the solar farm was completed in March 2017 and it has an expected life of 20 years.

Going concern

The Company made a loss of £6,766 during the period (year ended 31 March 2016 a profit of £Nil) and has net current liabilities of £1,562,559 (31 March 2016: £281,775).

At 28 July 2016, ultimate ownership of the company transferred from Elgin Energy Holdings to BayWa AG. In making their assessment of going concern the directors have considered the intentions of BayWa AG to support the Company, who have confirmed their continued support of the Company whilst it remains part of the BayWa group.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to develop and construct the Solar Farm as intended. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Prior year restatement

The year ended 31 March 2016 figures have been restated to capitalise £280,875 to assets under construction. These costs were historically expensed during the years ended 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 as, during the period in which these costs were incurred, there was considered insufficient grounds to capitalise these costs. However, given these costs were incurred in relation to creating an asset that the previous owners intended to sell, it is considered that the appropriate accounting treatment would have been to capitalise these costs as they were incurred. The impact of this adjustment is that it serves to increase the value of fixed assets in the prior year by £280,875, and removes an equivalent value of expenses from the reserve accounts.

Special Provisions

This report is prepared in accordance with the provisions applicable to companies entitled to small companies within Part 15 of the Companies Act 2006. As such, a Strategic Report has not been presented.

Approved by the Board on 13.09.2017 signed on its behalf by:


Mr A Sauer
Director

Statement of Directors' Responsibilities

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 applicable United Kingdom accounting standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). 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 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 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.

Independent Auditor's Report to the members of Bodwen Solar Project Limited

Report on the financial statements

Our opinion

In our opinion, Bodwen Solar Project Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Independent Auditor's Report to the members of Bodwen Solar Project Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Independent Auditor's Report to the members of Bodwen Solar Project Limited (continued)

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Other Matter

The comparative information as at, and for the period ended 31 March 2016 has not been audited.



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

17 September 2017

Bodwen Solar Project Limited

Profit and Loss Account for the 9 Months Ended 31 December 2016

		9 Months Ended 31 December 2016	Year Ended 31 March 2016 (unaudited and restated)
	Note	£	£
Turnover		-	-
Cost of sales		-	-
Gross profit/result		-	-
Operating expenses	3	(6,766)	-
Operating (loss)/profit		(6,766)	-
Interest payable		-	-
(Loss)/Profit before tax		(6,766)	-
Tax on (loss)/ profit	4	-	-
(Loss)/Profit for the financial period/year		(6,766)	-

The notes on pages 12 to 20 form an integral part of these financial statements

Bodwen Solar Project Limited

Statement of Comprehensive Income for the 9 Months Ended 31 December 2016

	9 Months Ended 31 December 2016	Year ended 31 March 2016 (unaudited and restated)
Note	£	£
(Loss)/Profit after taxation for the period/year	<u>(6,766)</u>	<u>-</u>
Total comprehensive (loss)/profit for the period/year	<u><u>(6,766)</u></u>	<u><u>-</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements

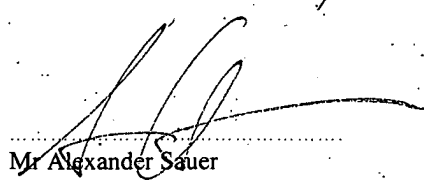
Bodwen Solar Project Limited

Registered No. 08489215

Balance Sheet as at 31 December 2016

		31 December 2016	31 March 2016 (unaudited and restated)
	Note	£	£
Fixed Assets			
Tangible assets	5	<u>1,589,660</u>	<u>280,875</u>
Current Assets			
Trade and other debtors	6	204	80,100
Cash at bank and in hand	7	<u>484</u>	<u>-</u>
		<u>688</u>	<u>80,100</u>
Creditors: Amounts falling due within one year			
Trade and other creditors	10	(549,546)	-
Loans and borrowings	11	<u>(1,013,741)</u>	<u>(361,875)</u>
		<u>(1,563,287)</u>	<u>(361,875)</u>
Net current (liabilities)		(1,562,599)	(281,775)
Total assets less current liabilities		27,061	(900)
Creditors: Amounts falling due greater than one year			
Other provisions	12	<u>(34,727)</u>	<u>-</u>
		<u>(34,727)</u>	<u>-</u>
Net (liabilities)		<u>(7,666)</u>	<u>(900)</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		<u>(7,766)</u>	<u>(1,000)</u>
		<u>(7,666)</u>	<u>(900)</u>
Total Shareholders' funds		<u>(7,666)</u>	<u>(900)</u>

Approved by the Board on 13.09.2017 and signed on its behalf by:


Mr Alexander Sauer
Director

The notes on pages 12 to 20 form an integral part of these financial statements

Bodwen Solar Project Limited

Statement of Changes in Equity for the 9 Months Ended 31 December 2016

	Called Up Share Capital £	Profit and Loss Account £	Shareholders' Deficit £
At 1 April 2016 (unaudited and restated)	100	(1,000)	(900)
Loss for the period	-	(6,766)	(6,766)
Total comprehensive (loss)	-	(6,766)	(6,766)
At 31 December 2016	100	(7,766)	(7,666)

	Called Up Share Capital £	Profit and Loss Account £	Shareholders' Deficit £
At 1 April 2015 (unaudited and restated)	100	(1,000)	(900)
(Loss) for the year	-	-	-
Total comprehensive (loss)	-	-	-
At 31 March 2016 (unaudited and restated)	100	(1,000)	(900)

The notes on pages 12 to 20 form an integral part of these financial statements

Notes to the Financial Statements for the 9 Months Ended 31 December 2016

1. General information

The Company is a private company limited by share capital incorporated and domiciled in the United Kingdom.

The address of its registered office is:

22 Chancery Lane
London
WC2A 1LS

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated (see note 13 for details of prior year restatement).

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 ('FRS 101'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are denominated in Sterling as this is the functional currency of the Company.

Summary of disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, chapter 40A of IAS1, and related party transactions. Where required, equivalent disclosures are given in the group financial statements of BayWa AG. The group financial statements of BayWa AG are available to the public and can be obtained from the directors at St-Martin-Strasse 76, 81541 Munich, Germany.

Going concern

The Company made a loss of £6,766 in the period (year ended 31 March 2016 a profit of £Nil) and has net current liabilities of £1,562,599 (31 March 2016: £281,775). The ability to meet these liabilities as they fall due is dependent on support of BayWa r.e. Solar Projects GmbH through an intercompany loan. The Company has received a letter of support from BayWa r.e. Solar Projects GmbH which states that it will continue to provide financial support to the Company until there is a change of control.

In making their assessment of going concern the directors have considered the intentions of BayWa AG to support the Company. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the Financial Statements for the 9 Months Ended 31 December 2016

2. Accounting policies (continued)

Turnover recognition

The Company recognises turnover when the amount can be reliably measured, it is probable that future economic benefit will flow to the entity and when specific criteria have been met as described below.

Tax

Income tax for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Income tax is recognised in the Company's profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Cash at bank and in hand

Cash at bank and in hand comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Tangible fixed assets

Tangible fixed assets are stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of intangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Financing costs which are directly attributable to the construction of the solar farm are capitalised as part of the cost of assets. Capitalisation ceases when the asset is fully operational.

Depreciation is due to start once the asset is fully constructed, which is completed in March 2017. Once constructed it is expected to be depreciated over 20 years.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land, over their estimated useful lives, as follows:

Assets under construction are not depreciated. Depreciation commences when the asset is ready for its intended use. The residual values, if not insignificant, and remaining useful lives are reassessed at each reporting date. When parts of an item of tangible fixed assets have different useful lives, those components are accounted for as separate items of tangible fixed assets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are recognised within other income/(expenditure) net in the profit and loss account.

Notes to the Financial Statements for the 9 Months Ended 31 December 2016

2. Accounting policies (continued)

Provisions

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

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Trade debtors

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss account within administrative expenses. When a trade debtor is uncollectable, it is written off against the allowance account for trade debtors. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the profit and loss account.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of decommissioning costs

The Company estimates, at the time of construction, the likely cost of removing solar farm equipment and making good the damage to the site where a contractual decommissioning and restoration obligation exists. The provision reflects the present value (based on an appropriate discount rate), at the balance sheet date of the decommissioning liability.

Notes to the Financial Statements for the 9 Months Ended 31 December 2016**2. Accounting policies (continued)****Deferred tax assets:**

Deferred tax assets, including those arising from tax losses carried forward for the future tax periods, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered. The likelihood of such recoverability is dependent on the generation of sufficient future taxable profits which relevant deferred tax asset can be utilised to offset.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, the carrying amount of recognised deferred tax assets may require adjustment, resulting in corresponding charge or credit to the profit and loss account (note 4).

3. Operating Profit/(Loss)

Arrived at after charging/(crediting)

	9 Months ended 31 December 2016 £	Year ended 31 March 2016 (unaudited) £
Auditor's remuneration	6,766	

The directors received no remuneration for their duties in respect of the Company.

In both the current and the prior year the Company had no employees.

Notes to the Financial Statements for the 9 Months Ended 31 December 2016

4. Taxation

Tax charged/(credited) in the income statement

	Year ended 31 December 2016	Year ended 31 March 2016 (unaudited)
	£	£
Deferred tax charge/(credit)	-	-
Total tax charge/(credit)	-	-

The charge for the year can be reconciled to the profit and loss account as follows:

	Year ended 31 December 2016	Year ended 31 March 2016 (unaudited and restated)
	£	£
(Loss) before tax	(6,766)	-
Corporation tax at the small profits rate of 20% (2015 – 20%)	(1,353)	-
Adjustment in respect of timing differences	1,353	-
Total tax charge	-	-

The main rate of corporation tax was reduced to a rate of 20% from 1 April 2015. Further reductions to the main rate have been enacted, with a 1% reduction to 19% from 1 April 2017 and a further 2% reduction to 17% from 1 April 2020.

No deferred tax assets or liabilities are currently being recognised.

Bodwen Solar Project Limited

Notes to the Financial Statements for the 9 Months Ended 31 December 2016

5. Tangible fixed assets

	Assets under Construction £	Total £
Cost or Valuation		
At 1 April 2016 (unaudited and restated)	280,875	280,875
Additions	<u>1,308,785</u>	<u>1,307,226</u>
At 31 December 2016	<u>1,589,660</u>	<u>1,588,101</u>
Depreciation		
At 1 April 2016 (unaudited)	-	-
Charge for the year	<u>-</u>	<u>-</u>
At 31 December 2016	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2016	<u>1,589,660</u>	<u>1,588,101</u>
At 1 April 2016 (unaudited and restated)	<u>280,875</u>	<u>280,875</u>

Interest expenses of £4,721 (year ended 31 March 2016: £Nil) on loans used to purchase the plant and machinery were capitalised at rates equal to the rates payable on the loans in the period. The total historical interest capitalised to date amounts to £4,721 (year ended 31 March 2016: £Nil).

6. Trade and other debtors

	31 December 2016 £	31 March 2016 (unaudited) £
Prepayments	204	80,000
Other debtors	<u>-</u>	<u>100</u>
Total current trade and other debtors	<u>204</u>	<u>80,100</u>

The maximum exposure to credit risk at each reporting date is in the fair value of each debtor shown above.

The directors consider that the carrying amount of trade and other debtors approximate their fair value.

7. Cash at bank and in hand

	31 December 2016 £	31 March 2016 (unaudited) £
Cash at bank	<u>484</u>	<u>-</u>

Bodwen Solar Project Limited

Notes to the Financial Statements for the 9 Months Ended 31 December 2016

8. Share capital

Allotted, authorised and called shares

	31 December 2016		31 March 2016 (unaudited)	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

9. Obligations under leases

Operating leases

The Company leases the land on which the solar is constructed under non-cancellable operating lease arrangements. The Company has agreed a lease term of 25 years.

The total future value of minimum lease payments is as follows:

	31 December 2016 £	31 March 2016 (unaudited) £
Within one year	41,819	-
In two to five years	125,573	-
In over five years	873,512	-
	1,040,904	-

The amount of non-cancellable operating lease payments recognised as an expense during the period was £5,156 (31 March 2016 - £Nil).

10. Trade and other creditors

	31 December 2016 £	31 March 2016 (unaudited) £
Other creditors	549,546	-

The directors consider that the carrying amount of trade and other creditors approximate their fair value.

Notes to the Financial Statements for the 9 Months Ended 31 December 2016

11. Loans and borrowings

	31 December 2016 £	31 March 2016 (unaudited) £
Current loans and borrowings		
Amounts due to group undertakings	<u>1,013,741</u>	<u>361,875</u>

During the period to 28 July 2016 Elgin Energy Holdings Limited directly settled expenses of £nil (year ended 31 March 2016: £nil) on behalf of the Company. An amount outstanding of £361,875 was due to Elgin Energy Holdings at this date.

On 28 July 2016, a loan of £361,875 was made to the company from BayWa r.e. Solar Projects GmbH to settle the outstanding balance to Elgin Energy Holdings Limited. At the current balance sheet date, no amounts are due to Elgin Energy Holdings Limited.

During the current period, BayWa r.e. Solar Projects GmbH directly settled expenses of £647,145 (year ended 31 March 2016: £nil) on behalf of the Company, and £nil of the initial loan was repaid.

Therefore at the balance sheet date the Company has a total amount outstanding to BayWa r.e. Solar Projects GmbH of £1,013,741 (year ended 31 March 2016: £nil), which consists of a principal amount of £1,009,020 and accrued interest of £4,721, which was capitalised to assets under construction. The outstanding loan balance consists of payments made on behalf of the Company by BayWa r.e. Solar Projects GmbH. The loan is unsecured and repayable on demand and bears interest at a base rate of the one-month GBP LIBOR for the month preceding any disbursement plus 1.65%.

12. Other provisions

	Decommissioning provision £	Total £
At 1 April 2016 (unaudited)	-	-
Increase due to revised assumptions	<u>34,727</u>	<u>34,727</u>
At 31 December 2016	<u>34,727</u>	<u>34,727</u>
Non-current liabilities	<u>34,727</u>	<u>34,727</u>

The provision represents management's best estimate of the Company's liability to dismantle the construction works that have taken place by the period end and return the site to its original condition should the Company cease operations, using a discount rate of 2.175% and assuming an annual cost inflation rate of 2%. The discount on the decommissioning provision will be unwound over the life of the solar farm assets.

13. Prior year restatement

The year ended 31 March 2016 figures have been restated to capitalise £280,875 to assets under construction. These costs were historically expensed during the years ended 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 as, during the period in which these costs were incurred, there was considered insufficient grounds to capitalise these costs. However given these costs were incurred in relation to creating an asset that the previous owners intended to sell, it is considered that the appropriate accounting treatment would have been to capitalise these costs as they were incurred. The impact of this adjustment is that it serves to increase the value of fixed assets in the prior year by £280,875, and removes an equivalent value of expenses from the reserve accounts.

Notes to the Financial Statements for the 9 Months Ended 31 December 2016

14. Parent and ultimate parent undertaking

During the year ended 31 March 2016 Elgin Energy Holdings Limited was the immediate and ultimate parent undertaking. On 28 July 2016 Bodwen Solar Project Limited (formerly EEB2 Limited) was sold to BayWa r.e. Solar Projects GmbH. Following the sale the ultimate parent and most senior entity is BayWa AG of which publicly available financial statements are available at St.-Martin-Strasse 76, 81541 Munich, Germany.