

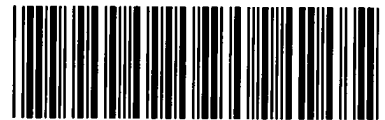
Company Registration No. 08600385 (England and Wales)

MICHAELSTON SOLAR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

THURSDAY



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COMPANIES HOUSE

MICHAELSTON SOLAR LIMITED

COMPANY INFORMATION

Directors	T S Cunningham D M M Vermeer
Secretary	J B Challands
Company number	08600385
Registered office	3rd Floor, South Building 200 Aldersgate Street London EC1A 4HD
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

MICHAELSTON SOLAR LIMITED

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MICHAELSTON SOLAR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of operating of a solar plant.

Directors

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

T S Cunningham

D M M Vermeer

Results and dividends

The company reported a net profit for the year of £15,491 (2018: £37,980) as set out on page 6.

No ordinary dividends were paid in 2019 or 2018. The directors do not recommend payment of a final dividend.

Going concern

The directors consider that the company has adequate resources to continue its operational existence for the foreseeable future, notwithstanding the fact that the company had net liabilities of £94k (2018: £110k) at the year end. The basis of this expectation is because of the company has generated income and is now profitable to support its working capital and received continued financial support from the parent company. Taking this into account, the financial statements have therefore been prepared on a going concern basis.

In the annual review of the company's going concern, the directors have considered the long term impact of the Covid-19 pandemic. The company has entered into long-term contracts with both customers and suppliers, and after careful review of these contracts the directors are confident that the company can operate as normal for the next twelve months. The directors have committed to carrying out regular reviews of the company's cash flows to monitor the ongoing situation.

Auditor

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

MICHAELSTON SOLAR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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 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;
- 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



T S Cunningham
Director

Date: **8 September 2020**.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICHAELSTON SOLAR LIMITED

Opinion

We have audited the financial statements of Michaelston Solar Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you 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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MICHAELSTON SOLAR 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MICHAELSTON SOLAR LIMITED

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 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 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Marc Waterman (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

8/9/2020

Chartered Accountants
Statutory Auditor

MICHAELSTON SOLAR LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2019**

		Year ended 31 December 2019 £	Year ended 31 December 2018 £
	Notes		
Turnover		442,153	412,362
Cost of sales		(264,176)	(247,558)
		<hr/>	<hr/>
Gross profit		177,977	164,804
Administrative expenses		(11,370)	(16,725)
		<hr/>	<hr/>
Operating profit		166,607	148,079
Interest receivable and similar income		76	78
Interest payable and similar expenses	4	(130,873)	(127,243)
		<hr/>	<hr/>
Profit before taxation		35,810	20,914
Tax on profit	5	(20,319)	17,066
		<hr/>	<hr/>
Profit for the financial year		15,491	37,980
		<hr/> <hr/>	<hr/> <hr/>

MICHAELSTON SOLAR LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	6	3,487,067		3,656,222	
Current assets					
Debtors	7	56,623		69,354	
Cash at bank and in hand	8	76,173		7,266	
		<u>132,796</u>		<u>76,620</u>	
Creditors: amounts falling due within one year	9	<u>(41,313)</u>		<u>(147,989)</u>	
Net current assets/(liabilities)			91,483		(71,369)
Total assets less current liabilities			<u>3,578,550</u>		<u>3,584,853</u>
Creditors: amounts falling due after more than one year	10	(3,652,296)		(3,694,409)	
Provisions for liabilities			<u>(20,319)</u>		<u>-</u>
Net liabilities			<u>(94,065)</u>		<u>(109,556)</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>(94,165)</u>		<u>(109,656)</u>
Total equity			<u>(94,065)</u>		<u>(109,556)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 8 September 2020 and are signed on its behalf by:



T S Cunningham
Director

Company Registration No. 08600385

MICHAELSTON SOLAR LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2018	100	(147,636)	(147,536)
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	37,980	37,980
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	100	(109,656)	(109,556)
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	15,491	15,491
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	<u>100</u>	<u>(94,165)</u>	<u>(94,065)</u>

MICHAELSTON SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Michaelston Solar Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, EC1A 4HD.

1.1 Basis of preparation

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The board have reviewed trading and cashflow forecasts for the company prior to signing these financial statements. In doing so, they have noted the continuing operational success of the company's solar farm and the long-term operational profitability of the company. In view of this and the fact that loan funding from the parent company does not fall due in the next 12 months the directors have concluded that the company has sufficient liquidity to enable it to trade as a going concern.

In the annual review of the company's going concern, the directors have considered the long term impact of the Covid-19 pandemic. The company has entered into long-term contracts with both customers and suppliers, and after careful review of these contracts the directors are confident that the company can operate as normal for the next twelve months. The directors have committed to carrying out regular reviews of the company's cash flows to monitor the ongoing situation

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

MICHAELSTON SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Revenue is expected to derive from electricity exported, Renewable Obligations Certificates (ROC) income, embedded benefits and Renewable Energy Guarantees of Origin (REGO) income.

Revenue is not fixed and is dependent on throughput and price agreements negotiated over the contract life.

Revenue is recognised based on performance in the year.

1.4 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.

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	Over 25 years straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

MICHAELSTON SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Cash at bank and in hand

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.

1.7 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, 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.

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 company 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.

MICHAELSTON SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Equity instruments

Equity instruments issued by the company 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 company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 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 company'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 when the company has 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.

1.10 Leases

Rent payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

MICHAELSTON SOLAR LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****2 Auditor's remuneration**

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
Audit of the financial statements of the company	-	-
	<u> </u>	<u> </u>

The fee payable to the company's auditor in the current year and prior year was covered by Equitix Management Services Limited, the management service provider.

3 Employees

	2019	2018
	Number	Number
Total	-	-
	<u> </u>	<u> </u>

4 Interest payable and similar expenses

	2019	2018
	£	£
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	130,873	127,243
	<u> </u>	<u> </u>

5 Taxation

	2019	2018
	£	£
Deferred tax		
Origination and reversal of timing differences	20,319	(17,066)
	<u> </u>	<u> </u>

MICHAELSTON SOLAR LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2019**5 Taxation****(Continued)**

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

	2019	2018
	£	£
Profit before taxation	35,810	20,914
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	6,804	3,974
Adjustments in respect of prior years	12,092	-
Group relief	-	(21,040)
Adjust opening deferred tax to average rate	1,423	-
Taxation charge/(credit) for the period	20,319	(17,066)

6 Tangible fixed assets**Plant and equipment**
£**Cost**

At 1 January 2019 and 31 December 2019 3,944,173

Depreciation and impairment

At 1 January 2019 287,951

Depreciation charged in the year 169,155

At 31 December 2019 457,106

Carrying amount

At 31 December 2019 3,487,067

At 31 December 2018 3,656,222

Plant and machinery represents a solar farm at Michaelston-y-Fedw, Fairwater Farm.

MICHAELSTON SOLAR LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2019**7 Debtors**

	2019	2018
	£	£
Amounts falling due within one year:		
Other debtors	5,154	3,624
Prepayments and accrued income	51,469	65,730
	<u>56,623</u>	<u>69,354</u>

8 Cash at bank and in hand

	2019	2018
	£	£
Cash at bank	<u>76,173</u>	<u>7,266</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

9 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	-	2,387
Trade creditors	10,339	22,120
Other creditors	-	94,523
Accruals and deferred income	30,974	28,959
	<u>41,313</u>	<u>147,989</u>

Other creditors includes an amount of £nil (2018: £94,523) of retention payable in relation to the construction of the solar farm.

MICHAELSTON SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other borrowings	3,652,296	3,694,409

Other borrowings include the amount of £3,652,296 (2018: £3,694,409) due to the immediate parent company, Equitix Michaelston Holdco Limited

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

Payable other than by instalments	3,652,296	3,694,409
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11 Operating lease commitments

Lessee

Operating lease payments represent lease of land for the installation of solar photovoltaic equipment at Michaelston-y-Fedw, Fairwater Farm for a period of 25.5 years from 9 September 2016

At the reporting end date the company had the following total aggregate outstanding commitments for future minimum lease payments under non-cancellable operating leases:

	2019 £	2018 £
	777,366	738,783

MICHAELSTON SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Related party transactions

The company has borrowed £3,652,296 (2018: £3,694,409) from the parent company, Equitix Michaelston Holdco Limited, to fund the construction of the solar farm. The loan is unsecured with interest rate of 2.6% + LIBOR per annum and repayable on 31 March 2042.

As at 31 December 2019 an amount of £3,652,296 (2018: £3,694,409) was owed to Equitix Michaelston Holdco Limited.

During the year, loan interest of £130,873 (2018: £127,243) was paid to Equitix Michaelston Holdco Limited.

13 Parent company

The immediate parent company is Equitix Michaelston Holdco Limited, a company registered in England and Wales.

The ultimate parent company is Equitix Fund IV LP, a limited partnership registered in England and Wales