

CAPITAL STAGE CADDINGTON LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

SATURDAY



A98KT6BP

A13

04/07/2020

#41

COMPANIES HOUSE

CAPITAL STAGE CADDINGTON LIMITED

COMPANY INFORMATION

DIRECTORS

M. Schirru
N. Will

REGISTERED NUMBER

08992272

REGISTERED OFFICE

1st Floor Sackville House
143-149 Fenchurch Street
London
EC3M 6BN

INDEPENDENT AUDITORS

Wilder Coe Ltd
Chartered Accountants & Statutory Auditors
1st Floor Sackville House
143-149 Fenchurch Street
London
EC3M 6BN

CAPITAL STAGE CADDINGTON LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Statement of Income and Retained Earnings	6
Balance Sheet	7
Notes to the Financial Statements	8 - 19

CAPITAL STAGE CADDINGTON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 to 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of the ownership and operation of a solar farm.

DIRECTORS

The director who served during the year was:

M. Meyer (resigned 24 January 2020)

The following directors were appointed after the year end:

M. Schirru (appointed 24 January 2020)

N. Will (appointed 24 January 2020)

CAPITAL STAGE CADDINGTON LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

POST BALANCE SHEET EVENTS

Viral epidemics that spread around the globe, such as the coronavirus, have no economic impact on the operating activities of the company. The solar park produces electricity from renewable energy sources predominantly on their own and are fully automated. Due to the impeccable technical condition of the installations, practically no staff are required on-site. Sunshine is also not affected by the coronavirus.

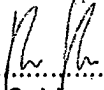
In light of the macroeconomic impact of the coronavirus so far, no negative impact is expected for the company over the longer term. If the current spread of the coronavirus continues for an extended period or worsens in the coming months, limitations in the on-site maintenance of the solar park due to individual technicians cannot be excluded; however, these could be replaced by alternative service providers.

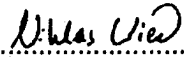
AUDITORS

The auditors, Wilder Coe Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25.06.2020 and signed on its behalf.


.....
M. Schirru
Director


.....
N. Will
Director

CAPITAL STAGE CADDINGTON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL STAGE CADDINGTON LIMITED

OPINION

We have audited the financial statements of Capital Stage Caddington Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, 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 Financial Reporting Standard 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

CAPITAL STAGE CADDINGTON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL STAGE CADDINGTON LIMITED (CONTINUED)

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 Auditors' 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.

OPINION 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.

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 in relation to which 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

CAPITAL STAGE CADDINGTON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL STAGE CADDINGTON LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 1, 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.

AUDITORS' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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.

Jitendra Pattani BSc (Econ) FCA (Senior Statutory Auditor)
for and on behalf of


Wilder Coe Ltd
Chartered Accountants & Statutory Auditors
1st Floor Sackville House
143-149 Fenchurch Street
London
EC3M 6BN
25 June 2020

CAPITAL STAGE CADDINGTON LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	3	679,571	557,364
Cost of sales		(287,123)	(268,450)
GROSS PROFIT		392,448	288,914
Administrative expenses		(39,574)	(28,004)
Exceptional items	6	(76,960)	77,188
OPERATING PROFIT	7	275,914	338,098
Interest payable and similar expenses	8	(257,922)	(263,297)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,992	74,801
Taxation on profit on ordinary activities	9	(5,461)	-
PROFIT FOR THE FINANCIAL YEAR		12,531	74,801
Retained loss at the beginning of the year		(550,256)	(625,057)
Profit for the year		12,531	74,801
RETAINED LOSS AT THE END OF THE YEAR		(537,725)	(550,256)

The notes on pages 8 to 19 form part of these financial statements.


CAPITAL STAGE CADDINGTON LIMITED
REGISTERED NUMBER: 08992272

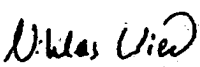
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	10	4,368,989	4,586,355
CURRENT ASSETS			
Debtors	11	66,166	84,448
Cash at bank		216,621	169,748
		<u>282,787</u>	<u>254,196</u>
Creditors: amounts falling due within one year	12	(510,207)	(496,279)
NET CURRENT LIABILITIES		(227,420)	(242,083)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,141,569</u>	<u>4,344,272</u>
Creditors: amounts falling due after more than one year	13	(4,673,832)	(4,894,527)
PROVISIONS FOR LIABILITIES			
Deferred tax	15	(5,461)	-
NET LIABILITIES		<u>(537,724)</u>	<u>(550,255)</u>
CAPITAL AND RESERVES			
Fully paid share capital	16	1	1
Profit and loss account		(537,725)	(550,256)
EQUITY SHAREHOLDERS' DEFICIT		<u>(537,724)</u>	<u>(550,255)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

25.06.2020


.....
M. Schirru
Director


.....
N. Will
Director

The notes on pages 8 to 19 form part of these financial statements.

CAPITAL STAGE CADDINGTON LIMITED

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

1. GENERAL INFORMATION

Capital Stage Caddington Limited (company number: 08992272), having its registered office at 1st Floor, Sackville House, 143-149 Fenchurch Street, London, EC3M 6BN, is a private limited company incorporated in England and Wales.

The principal place of business of the company is Cotswold Farm, Business Park, Millfield Lane, Caddington, Luton, LU1 4AJ.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Encavis AG as at 31 December 2019 and these financial statements may be obtained from the address in note 18.

CAPITAL STAGE CADDINGTON LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

At the year end, the Company had net liabilities of £537,724 (2018: £550,255) and has an outstanding loan balance due to its Parent Company of £1,600,971 (2018: £1,661,569). The Company is currently cash generating and based on forecasted projections, no further financing is expected to be required from its Parent Company.

The financial statements have been prepared using the going concern basis of accounting. In determining whether the Company's financial statements can be prepared on the going concern basis, the directors have considered all factors likely to affect its future development, performance and its financial position including uncertainties in solar powered generation of electricity, the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the directors were as follows:

- the banking facilities that the company and the wider Group has to operate within;
- compliance with the Company and wider Group's loan facilities;
- the credit risk associated with the Company's trade receivables;
- the risk of loss of the Company's customer; and
- the potential actions that could be taken in the event that revenues are worse than expected.

The Parent Company has committed to providing support to the Company to the extent of its present intercompany indebtedness for a period of not less than 12 months from the date of approval of these financial statements and has confirmed that it will not seek repayment during the support period, unless sufficient funds are available such that doing so will not compromise the going concern position.

Therefore, the Company expects to be able to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The directors acknowledge that there can be no certainty that the existing level of support from the Parent Company will continue, although at the date of approval of these financial statements they have no reason to believe that the support will be withdrawn.

On this basis, the directors believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

CAPITAL STAGE CADDINGTON LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 TURNOVER

Turnover represents the fair value of the consideration received or receivable for the provision of services which fall within the company's ordinary activities. All turnover arose within the United Kingdom. Turnover represents amounts recoverable from customers for supply of electricity and is measured as the fair value of the consideration received or receivable, stated net of discounts, returns and value added taxes. The company recognises turnover when the amount of turnover can be reliably measured, when it is probable that future economic benefits will flow to the company, and when specific criteria have been met for the company's activities, as described below:

Power Supply

Turnover for the supply of electricity is based on industry data flows and National Grid data. These include an estimate of power used based on the estimated annual consumption of each customer.

Payment is collected either as a direct debit or paid on receipt of bill in arrears. Overdue amounts are reviewed regularly for impairment and provision made as necessary.

Renewable Obligation Certificates (ROCs) turnover recognition

ROCs are awarded to the company from Ofgem based on generation of power. These ROCs are sold on receipt of certificate from Ofgem allowing transfer of title. The amount of turnover recognised on sale is in accordance with a contractual agreement where the pricing is based on Ofgem's minimum ROC value (the buy-out) and a prudent estimate of the recycle element of the final value of a ROC once all energy suppliers have complied or paid the penalty for non-compliance with the renewables obligation (the recycle). A final adjustment to ROC turnover and profit is recognised once Ofgem have announced the final out-turn ROC price.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Solar farm	-	4% Straight-line from commissioning of the farm
------------	---	---

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.6 DEBTORS

Short-term debtors are measured at transaction price, less any impairment.

2.7 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

CAPITAL STAGE CADDINGTON LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Derivatives, including interest rate swaps contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.9 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.10 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is British Pound Sterling (GBP).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.11 FINANCE COSTS

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.12 BORROWING COSTS

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

CAPITAL STAGE CADDINGTON LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.13 TAXATION

Tax is recognised in the Statement of Income and Retained Earnings.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the United Kingdom where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.14 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

CAPITAL STAGE CADDINGTON LIMITED

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

3. TURNOVER

The whole of the turnover is attributable to the principal activity of the business, being that of the ownership and operation of a solar farm.

All turnover arose within the United Kingdom.

4. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
Directors	1	1

During the year, no director received any emoluments (2018: £Nil).

5. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	2,750	2,750

FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:

Taxation compliance services	500	500
All other services	6,000	6,000
	6,500	6,500

6. EXCEPTIONAL ITEMS

	2019 £	2018 £
Movements in fair value of interest rate swaps (see note 14)	76,960	(77,188)

CAPITAL STAGE CADDINGTON LIMITED

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

7. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	217,366	213,200
Difference on foreign exchange	30	(3,953)
	<hr/> <hr/>	<hr/> <hr/>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest payable	153,008	157,023
Other loan interest payable	104,914	106,274
	<hr/> <hr/>	<hr/> <hr/>
	257,922	263,297

During the year loan interest of £104,914 (2018: £106,274) was recognised as payable to CSG IPP GmbH, the company's parent undertaking.

CAPITAL STAGE CADDINGTON LIMITED

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

9. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits/loss for the year	-	-
DEFERRED TAX		
Origination and reversal of timing differences	5,461	-
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5,461	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018: - lower than) the standard rate of corporation tax in the UK of 19% (2018: - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	17,992	74,801
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: - 19%)	3,418	14,212
EFFECTS OF:		
Capital allowances for year in excess of depreciation	(2,160)	(17,631)
Utilisation of tax losses	(31,075)	(53,581)
Corporate Interest Restriction	29,817	57,000
Deferred taxation	5,461	-
TOTAL TAX CHARGE FOR THE YEAR	5,461	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

At the year end the company has trading losses of £609,736 (2018: £773,292) available to carry forward and offset against future taxable profits.

At the year ended the company has restricted losses through Corporate Interest Restriction rules of £456,930 (2018: £300,000).

CAPITAL STAGE CADDINGTON LIMITED

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

10. TANGIBLE FIXED ASSETS

	Solar farm £
COST	
At 1 January 2019 and 31 December 2019	5,443,563
	<hr/>
DEPRECIATION	
At 1 January 2019	857,208
Charge for the year	217,366
	<hr/>
At 31 December 2019	1,074,574
	<hr/>
NET BOOK VALUE	
	<hr/>
At 31 December 2019	4,368,989
	<hr/>
At 31 December 2018	4,586,355
	<hr/>

11. DEBTORS

	2019 £	2018 £
Due within one year		
Prepayments and accrued income	66,166	84,448
	<hr/>	<hr/>

12. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank loans (secured - see note 13)	160,097	166,797
Trade creditors	4,178	24,536
Amounts owed to group undertakings	-	15,669
Taxation and social security	41,204	31,835
Fair value of interest rate swaps	295,366	218,406
Accruals and deferred income	9,362	39,036
	<hr/>	<hr/>
	510,207	496,279
	<hr/>	<hr/>

CAPITAL STAGE CADDINGTON LIMITED

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

13. CREDITORS: Amounts falling due after more than one year

	2019 £	2018 £
Amounts falling due between one and five years		
Bank loans (secured - see below)	930,374	815,247
Amounts falling due after more than five years		
Bank loans (secured - see below)	2,142,487	2,417,711
Amounts owed to group undertakings	1,600,971	1,661,569
	<u>4,673,832</u>	<u>4,894,527</u>

Secured loans

The bank loans with Bayerische Landesbank are repayable by instalments and are secured by way of a fixed and floating charge over the assets of the company. The rate of interest is at a margin of 2.25% over LIBOR, subject to interest swap agreements detailed in note 14.

The maximum term of the facilities runs to 31 December 2032.

The above amounts owed to group undertakings are not repayable by instalments and interest is charged at 6.5% per annum.

14. FINANCIAL INSTRUMENTS

The company has entered into two interest rate swap agreements relating to the bank loans currently held with Bayerische Landesbank. These financial instruments are measured at fair value through the profit and loss. The details of the agreements are as follows:

- A swap agreement was entered into on 31 July 2015, which had a termination date of 31 December 2019, being the full term of the short term loan facility of the Company. A rate of 1.8% + LIBOR per annum applied to the facility, and this agreement fixed LIBOR at a rate of 1.5%. As at 31 December 2019, the short term loan facility consisted of £Nil (2018: £166,797) included within bank loans due within one year and £Nil (2018: £Nil) included within bank loans due after more than one year.
- A swap agreement was entered into on 31 July 2015, with a termination date of 31 December 2032, being the full term of the long term loan facility of the Company. A rate of 2.25% + LIBOR applies to the facility between 31 July 2015 and 5 August 2020, a rate of 2.35% + LIBOR between 6 August 2020 and 5 August 2025, and a rate of 2.45% + LIBOR between 6 August 2025 and 31 December 2032. This agreement fixed the interest rate at 4.54% against the long term loan facility of the Company. As at 31 December 2019, the long term loan facility consisted of £160,097 (2018: £Nil) included within bank loans due within one year and £3,072,861 (2018: £3,232,958) included within bank loans due after more than one year.

At the year end, the valuation of this agreement included within creditors due within one year was a liability of £295,366 (2018: £218,406).

The valuations of the financial instruments were provided by Bayerische Landesbank, the provider of the loans and financial instruments. The valuations are measured using the Black-Scholes model based on the yield curves from Reuters at the year end. The future cash flow is discounted using the present value method.

CAPITAL STAGE CADDINGTON LIMITED

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

15. DEFERRED TAXATION

	2019 £
At beginning of year	-
Charged to profit or loss	(5,461)
AT END OF YEAR	(5,461)

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(109,116)	-
Tax losses carried forward	103,655	-
	(5,461)	-

16. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary share of £1.00	1	1

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of Section 33.1A of FRS102 in not disclosing transactions between wholly-owned members of a group.

18. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

As at 31 December 2019 and 31 December 2018 the immediate parent undertaking is CSG IPP GmbH, a company incorporated in Germany.

As at 31 December 2019 and 31 December 2018 the ultimate parent undertaking is Encavis AG, a company incorporated in Germany.

Consolidated financial statements for Encavis AG can be obtained from the following address:
Große Elbstraße 59
22767 Hamburg
Germany

There is no smaller or larger group in which the Company's results are consolidated.

CAPITAL STAGE CADDINGTON LIMITED

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

19. ULTIMATE CONTROLLING PARTY

As at 31 December 2019 and 31 December 2018 there was no single ultimate controlling party.