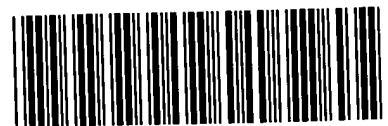


# Spring Lane Solar Farm Limited

Directors' Report and Financial Statements  
For the year ended 31 December 2020

Registered number 09988933

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**Company Information**

Directors: Julian Skinner  
Nigel Hildyard

Registered Office: 15 Diddenham Court,  
Lambwood Hill, Grazeley  
Reading  
RG7 1JQ

## **DIRECTORS' REPORT**

The directors present their report and the financial statements for the year ended 31 December 2020.

### **Principal activity**

The principal activity of the company is the operation of a ground mounted solar photo-voltaic installation in the UK.

### **Directors**

The directors, who served throughout the year and to the date of signing of the accounts were as follows:

Julian Skinner  
Nigel Hildyard

### **Results**

The profit for the year after taxation, amounted to £652 (2019: loss £11,809)

### **Going concern**

The performance of the UK Solar portfolio has not been impacted by the ongoing Covid-19 pandemic. The portfolio performed well during the year, outperforming the P50 generation target. The O&M provider, Anesco Limited, continues to proactively monitor the assets.

Below seasonal normal temperatures in December 2020 and January 2021 led to electricity demand spikes. To balance the market, coal and less efficient gas stations were brought back online leading to record high short-term power prices. The solar farm's revenue structure is largely fixed due to the Renewable Obligation Certificate and Power Purchase Agreement floor price, however as long-term power prices increased from the Covid-low, Arjun hedged power price exposure for the next summer and winter.

The directors are confident that, having reviewed the Company's budgets and forecasts, the Company have adequate resources to continue in operation and to enable the Company to pay their debts as they fall due for the foreseeable future. This review included an analysis of business operating plans, the availability of alternative sources of funding and associated cash flow projections.


AIP Acquisitions II Limited, the parent company, also confirmed that it will not be demanding repayment of the loan amount due from Spring Lane Solar Farm Limited for a period of not less than one year from the approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis.

**Director's indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

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

Approved by the Board and signed on its behalf by:



Nigel Hildyard  
Director

5 August 2021

### **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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover		107,325	98,882
Cost of sales		(17,262)	(17,704)
<b>Gross profit</b>		<u>90,063</u>	<u>81,178</u>
Administrative expenses		(59,239)	(60,213)
<b>Operating profit</b>	4	<u>30,824</u>	<u>20,965</u>
Interest payable and expenses	5	(27,550)	(28,327)
Profit before taxation		<u>3,274</u>	<u>(7,362)</u>
Taxation	6	(2,622)	(4,447)
<b>Profit for the financial year</b>		<u><u>652</u></u>	<u><u>(11,809)</u></u>

There were no recognised gains and losses for the year ended 31 December 2020 or the year ended 31 December 2019 other than those included in the statement of comprehensive income.

The notes on pages 9 to 16 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Property, plant and equipment	7	834,271	873,683
		<u>834,271</u>	<u>873,683</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	22,534	22,528
Cash at bank and in hand	9	41,066	27,844
		<u>63,600</u>	<u>50,372</u>
Creditors: amounts falling due within one year	10	(922,296)	(949,323)
Net current assets		<u>(858,696)</u>	<u>(898,951)</u>
<b>Total assets less current liabilities</b>		<u>(24,425)</u>	<u>(25,268)</u>
Provision for liabilities	11	(19,352)	(19,160)
<b>Net liabilities</b>		<u>(43,777)</u>	<u>(44,428)</u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account		(43,877)	(44,528)
<b>Equity shareholders' funds</b>		<u>(43,777)</u>	<u>(44,428)</u>

The notes on page 9 to 16 form part of the financial statements.

The company is entitled to exemption under section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006: and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the board of directors on 5 August 2021 and were signed on its behalf by:

  
**Nigel Hildyard**  
Director

Company registered number: 09988933



## Notes

*(forming part of the financial statements)*

### 1 General information

Spring Lane Solar Farm Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 3.

### 2 Accounting policies

#### 2.1 Basis of preparation

The financial statements were prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with section 1A of Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 (2020 amendments have also been applied). The presentation currency of these financial statements is sterling.

The company has prepared these financial statements in accordance with FRS 102 section 1A.

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. Management do not consider there are any key accounting estimates or critical assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgement in applying the company's accounting policies. Due to the straight forward nature of the business management consider that no critical judgements have been made in applying the company's accounting policies.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 2.2 Going concern

The performance of the UK Solar portfolio has not been impacted by the ongoing Covid-19 pandemic. The portfolio performed well during the year, outperforming the P50 generation target. The O&M provider, Anesco Limited, continues to proactively monitor the assets.

Below seasonal normal temperatures in December 2020 and January 2021 led to electricity demand spikes. To balance the market, coal and less efficient gas stations were brought back online leading to record high short-term power prices. The solar farm's revenue structure is largely fixed due to the Renewable Obligation Certificate and Power Purchase Agreement floor price, however as long-term power prices increased from the Covid-low, Arjun hedged power price exposure for the next summer and winter.

The directors are confident that, having reviewed the Company's budgets and forecasts, the Company have adequate resources to continue in operation and to enable the Company to pay their debts as they fall due for the foreseeable future. This review included an analysis of business operating plans, the availability of alternative sources of funding and associated cash flow projections.

AIP Acquisitions II Limited, the parent company, also confirmed that it will not be demanding repayment of the loan amount due from Spring Lane Solar Farm Limited for a period of not less than one year from the approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis.

## **2 Accounting policies (continued)**

### **2.3 Property, plant and equipment**

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 Photovoltaic Installations - 25 years straight line

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

### **2.4 Impairment excluding stocks and deferred tax assets**

#### *Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

### **2.5 Decommissioning provision**

Provisions for decommissioning are recognised in full when the related facilities are constructed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

## **2 Accounting policies (continued)**

### **2.6 Turnover**

#### **Revenue**

Revenue comprises the fair value of the consideration received or receivable in respect of the invoiced value of generated electricity, Renewable Obligation Certificates (ROCs) and accrued income. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

Revenue on the generation of energy comprises the value of units supplied during the year. Units are determined by energy volumes recorded on the solar park meters and market settlement systems. Under the terms of its Power Purchase Agreements with customers, ROC's are immediately transferable to the customer. Revenue in relation to ROC's is recognised in line with the generation of energy. Accrued income represents the sales value of energy (and related ROC's) which is yet to be invoiced and is based upon the value of units supplied with respect to energy and quantity of units supplied with respect to ROC's.

The company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

There is only one operating activity and all revenue is generated within the United Kingdom.

### **2.7 Expenses**

#### **Operating leases**

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case, the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### **Interest receivable and interest payable**

Interest payable and similar expenses includes interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

### **2.8 Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions

## 2 Accounting policies (continued)

are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 3 Staff numbers and costs

The Company had no employees during the year (2019: no employees). Although there are 2 directors, whom are not paid by the company (2019: 2 directors)

### 4 Operating profit

Profit before taxation is stated after charging:	2020	2019
	£	£
Depreciation of tangible assets	39,412	39,412
Other operating lease rentals	7,158	7,008
	<u>46,570</u>	<u>46,420</u>

### 5 Interest payable and expenses

	2020	2019
	£	£
Shareholders loan interest payable	27,358	27,860
Unwinding of discount on decommissioning provision	192	467
	<u>27,550</u>	<u>28,327</u>

### 6 Taxation

The tax charge comprises:

	2020	2019
	£	£
<b>Current tax:</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,344	4,970
Adjustments in respect of prior periods	-	-
Effect of changes in tax rates	(722)	(523)
<b>Total deferred tax (see note 11)</b>	<u>2,622</u>	<u>4,447</u>
<b>Total tax charge per income statement</b>	<u>2,622</u>	<u>4,447</u>

Factors affecting tax charge for the year:

	2020	2019
	£	£
<b>Profit/(loss) on ordinary activities before tax</b>	<b>3,274</b>	<b>(7,362)</b>
- Tax on profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	622	(1,399)
Effects of:		
- Expenses not deductible	1,055	1,056
- Tax rate changes	(722)	(523)
- Group relief	2,632	6,165
- Deferred tax not provided	(965)	(852)
<b>Total tax charge for the period</b>	<b>2,622</b>	<b>4,447</b>

## 7 Property, plant and equipment

	Solar Photovoltaic Installations £
<b>Cost</b>	
At 1 January 2020	986,082
<b>At 31 December 2020</b>	<b>986,082</b>
<b>Depreciation</b>	
At 1 January 2020	112,399
Charged for the year on owned assets	39,412
<b>At 31 December 2020</b>	<b>151,811</b>
<b>Net book value</b>	
<b>At 31 December 2020</b>	<b>834,271</b>
At 31 December 2019	873,683

## 8 Debtors

	2020	2019
	£	£
<b>Due within one year:</b>		
Trade Debtors	-	7,860
Prepayments and accrued income	19,022	8,535
Deferred tax assets ( <i>see note 11</i> )	3,512	6,134
	<b>22,534</b>	<b>22,528</b>

## 9 Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>41,066</u>	<u>27,844</u>

## 10 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	3,547	3,249
Accruals and deferred income	10,721	5,511
VAT payable	2,674	3,517
Amounts owed to group undertakings	905,354	937,046
	<u>922,296</u>	<u>949,323</u>

Amounts owed to group undertakings are unsecured, with interest rate at 3% per annum, have no fixed date of repayment and are repayable on demand.

## 11 Provision for liabilities

	Deferred Taxation	Decomm. Provision	Total
	£	£	£
At 1 January 2020	(6,134)	19,160	13,026
Deferred tax charged to income statement	2,622	-	2,622
Unwound discount on decomm. provision	-	192	192
<b>At 31 December 2020</b>	<u><b>(3,512)</b></u>	<u><b>19,352</b></u>	<u><b>15,840</b></u>
At 1 January 2019	(10,581)	18,693	8,112
Deferred tax charged to profit and loss	4,447	-	4,447
Unwound discount on decomm. provision	-	467	467
<b>At 31 December 2019</b>	<u><b>(6,134)</b></u>	<u><b>19,160</b></u>	<u><b>13,026</b></u>

### Deferred tax assets

The deferred tax asset is made as follows:

	2020	2019
	£	£
Fixed asset timing differences	(3,512)	(6,134)
	<u>(3,512)</u>	<u>(6,134)</u>

**12 Called-up share capital and reserves**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Allotted, called-up and fully-paid		
100 (2019: 100) ordinary shares of £1 each	<u><b>100</b></u>	<u><b>100</b></u>

**13 Subsequent event**

There have been no significant events affecting the Company since year end.

**14 Controlling party**

The immediate parent company is AIP Acquisitions II Limited, registered in the United Kingdom, with registered office at 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, RG7 1JQ.

The ultimate controlling party is AIP Infrastructure LP.

As AIP Infrastructure LP does not prepare consolidated accounts for public use, the largest group which prepares consolidated financial statements is AIP Acquisitions II Limited.