

Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 December 2019
for
Islay SM Limited



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for the Year Ended 31 December 2019

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Islay SM Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:

Pinecroft Corporate Services Limited
Mrs A Rajdev

REGISTERED OFFICE:

C/O Foresight Group
The Shard
32 London Bridge Street
London
SE1 9SG

REGISTERED NUMBER:

10074602 (England and Wales)

Islay SM Limited

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The Company owns a subsidiary, Islay Spain Solar S.L., which plans to operate a solar power plant which sells electricity in Spain. The subsidiary plans to commission and be fully operational from June 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Pinecroft Corporate Services Limited
Mrs A Rajdev

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Graham Shaw, for and on behalf of Pinecroft Corporate Services Limited - Director

Date: 18 November 2020

Islay SM Limited

Income Statement
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER		-	15
Administrative expenses		<u>(123,428)</u>	<u>(188,270)</u>
		(123,428)	(188,255)
Other operating income		<u>69,518</u>	<u>-</u>
OPERATING LOSS	4	(53,910)	(188,255)
Interest receivable and similar income		<u>165,034</u>	<u>-</u>
		111,124	(188,255)
Gain/loss on revaluation of investments		<u>(159,641)</u>	<u>-</u>
		(48,517)	(188,255)
Interest payable and similar expenses		<u>(7,658)</u>	<u>-</u>
LOSS BEFORE TAXATION		(56,175)	(188,255)
Tax on loss		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(56,175)</u>	<u>(188,255)</u>

The notes form part of these financial statements

Balance Sheet
31 December 2019

	Notes	31.12.19 £	31.12.18 £
FIXED ASSETS			
Tangible assets	5	3,150	3,150
Investments	6	<u>4,226,260</u>	<u>2,643</u>
		<u>4,229,410</u>	<u>5,793</u>
CURRENT ASSETS			
Debtors	7	134,107	22,633
Cash at bank		<u>116,800</u>	<u>3,547,505</u>
		250,907	3,570,138
CREDITORS			
Amounts falling due within one year	8	<u>(44,579)</u>	<u>(29,018)</u>
NET CURRENT ASSETS		<u>206,328</u>	<u>3,541,120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,435,738	3,546,913
CREDITORS			
Amounts falling due after more than one year	9	<u>(945,000)</u>	<u>-</u>
NET ASSETS		<u>3,490,738</u>	<u>3,546,913</u>
CAPITAL AND RESERVES			
Called up share capital	10	42,764	42,764
Share premium	11	4,209,188	4,209,188
Retained earnings	11	<u>(761,214)</u>	<u>(705,039)</u>
SHAREHOLDERS' FUNDS		<u>3,490,738</u>	<u>3,546,913</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 notes form part of these financial statements

Islay SM Limited (Registered number: 10074602)

Balance Sheet - continued
31 December 2019

The 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 on 18 November 2020 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G. Shaw', written over a dotted line.

Graham Shaw, for and on behalf of Pinecroft Corporate Services Limited - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

Islay SM Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern

The Company was in a net current asset position as at 31 December 2019 of £206,328 (31 December 2018: £3,541,120). As such, we expect the Company to be able to continue operations for at least another 12 months from the date of signing of these unaudited financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2018 - NIL).

4. OPERATING LOSS

The operating loss is stated after charging:

	31.12.19	31.12.18
	£	£
Directors fees	<u>5,000</u>	<u>5,000</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2019 and 31 December 2019	<u>3,150</u>
NET BOOK VALUE	
At 31 December 2019	<u>3,150</u>
At 31 December 2018	<u>3,150</u>

6. FIXED ASSET INVESTMENTS

	31.12.19	31.12.18
	£	£
Shares in group undertakings	2,643	2,643
Loans to group undertakings	<u>4,223,617</u>	<u>-</u>
	<u>4,226,260</u>	<u>2,643</u>

Additional information is as follows:

	Shares in group undertakings £
COST	
At 1 January 2019 and 31 December 2019	<u>2,643</u>
NET BOOK VALUE	
At 31 December 2019	<u>2,643</u>
At 31 December 2018	<u>2,643</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

6. **FIXED ASSET INVESTMENTS - continued**

	Loans to group undertakings £
New in year	4,383,258
Other movement	<u>(159,641)</u>
At 31 December 2019	<u><u>4,223,617</u></u>

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19 £	31.12.18 £
Accounts receivable	23	23
Trade debtors	<u>134,084</u>	<u>22,610</u>
	<u><u>134,107</u></u>	<u><u>22,633</u></u>

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

	31.12.19 £	31.12.18 £
Trade creditors	43,018	27,768
Accruals	<u>1,561</u>	<u>1,250</u>
	<u><u>44,579</u></u>	<u><u>29,018</u></u>

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

	31.12.19 £	31.12.18 £
Other creditors	<u><u>945,000</u></u>	<u><u>-</u></u>

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			31.12.19	31.12.18
Number:	Class:	Nominal value:	£	£
4,276,377	Ordinary Shares	0.01	<u><u>42,764</u></u>	<u><u>42,764</u></u>

The share capital and share premium was raised via retail investment and no individual investor owns more than 10% of the share capital.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

11. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2019	(705,039)	4,209,188	3,504,149
Deficit for the year	<u>(56,175)</u>	<u></u>	<u>(56,175)</u>
At 31 December 2019	<u>(761,214)</u>	<u>4,209,188</u>	<u>3,447,974</u>

12. RELATED PARTY DISCLOSURES

As at 31 December 2019, the Company had shareholder loans to its subsidiary, Islay Spain Solar S.L., in the amount of €4,041,868 (31 December 2018: €0). These loans currently bear interest at a rate of 6.5% per annum. At the end of 2019, there was £134,083.64 of interest outstanding, accrued from the aforementioned shareholder loan. As at 31 December 2019, the Company also had sent cash contributions to its subsidiary, Islay Spain Solar S.L., in the amount of €913,132 (31 December 2018: €0), bearing interest at 0%.

Despite not having the subsidiary's project, namely Torrijos Sur, operational by the end of the year, the project is expected to be connected and earning revenues in June 2020. The Company expects that the solar site will be fully operational at this time. The projected annual revenue from the date of connection is €388,664.49 with an EBITDA of €334,114.34. From projected figures, it is clear that subsequent to site connection the project will have a positive annual cash flow and EBITDA.

At the end of 2019, the Company's subsidiary had invested €4,113,758.26 in developing the solar power plant. These developments continued during 2020 and expect to complete in June 2020.

During November 2019, the Company received a loan from Blackmead Infrastructure Limited in the amount of £945,000. This loan currently bears interest at a rate of 7% per annum and as at 31 December 2019 has accrued £6,161.92, all of which remains outstanding at the end of the period.

13. POST BALANCE SHEET EVENTS

The Company's subsidiary, Islay Spain Solar S.L., runs a PV ground mounted solar site which commissioned and became fully operational during May 2020.