

Registered number: 10867697

MP1 LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE PERIOD ENDED 31 DECEMBER 2018



MP1 LIMITED
REGISTERED NUMBER: 10867697

BALANCE SHEET
AS AT 31 DECEMBER 2018


	Note	2018 £
Fixed assets		
Tangible assets	5	6,184,876
Investments	6	637,686
		<u>6,822,562</u>
Current assets		
Debtors: amounts falling due within one year	7	538,018
Cash at bank and in hand	8	839,441
		<u>1,377,459</u>
Creditors: amounts falling due within one year	9	<u>(1,952,219)</u>
Net current (liabilities)/assets		(574,760)
Total assets less current liabilities		6,247,802
Creditors: amounts falling due after more than one year	10	(6,283,453)
Net (liabilities)/assets		(35,651)
Capital and reserves		
Called up share capital	13	100
Profit and loss account		(35,751)
		<u>(35,651)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 May 2019.



Jonathan Waxman
Director

The notes on pages 3 to 12 form part of these financial statements.

MP1 LIMITED
REGISTERED NUMBER: 10867697

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

MP1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1. General information

MP1 Ltd is a company limited by shares incorporated in England and Wales. The company's registered office is 34 Norrice Lea, London, N2 0RE. The company's main activity is the operation of a wind farm.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

2.2 Going concern

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

it is generally the company's policy to hedge FX risks when they arise. When a liability is incurred in a currency other than GBP, the company enters into a Foreign Exchange spot or forward contract to lock in the FX rate and thus reduce the risk of adverse cost developments. The company's policy prevents the risk of realised FX losses or gains by hedging the relevant exposures.

MP1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Profit and Loss Account 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the period in which they are incurred.

2.9 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.

MP1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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:

Leased land	-	4%
Wind Farm	-	5%

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 Profit and Loss Account.

2.10 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.11 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in non-puttable ordinary shares.

MP1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Derivatives, including interest rate swaps and forward foreign exchange 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 in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no key sources of estimation uncertainty or significant judgments in applying accounting policies.

4. Employees

The average monthly number of employees, including directors, during the period was 1.

MP1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

5. Tangible fixed assets

	Leased Land £	Wind Farm £	Total £
Cost or valuation			
Additions	83,741	6,181,474	6,265,215
At 31 December 2018	83,741	6,181,474	6,265,215
Depreciation			
Charge for the period on owned assets	3,071	77,268	80,339
At 31 December 2018	3,071	77,268	80,339
Net book value			
At 31 December 2018	80,670	6,104,206	6,184,876

The net book value of land and buildings may be further analysed as follows:

	2018 £
Long leasehold	80,670
	80,670

MP1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

6. Fixed asset investments

	Investments in associates £
Cost or valuation	
Additions	637,686
At 31 December 2018	<u>637,686</u>
Net book value	
At 31 December 2018	<u><u>637,686</u></u>

Participating interests

The company holds 50% of the share capital of Pogie Wind Farm (Grid) Limited, a company incorporated in Scotland.

7. Debtors

	2018 £
Amounts owed by associated undertakings	5,361
Other debtors	700
Prepayments and accrued income	269,487
VAT recoverable	262,470
	<u>538,018</u>

8. Cash and cash equivalents

	2018 £
Cash at bank and in hand	839,441
	<u><u>839,441</u></u>

MP1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

9. Creditors: Amounts falling due within one year

	2018 £
Bank loans	96,547
Accounts payable	1,475,403
Accruals and deferred income	364,043
Financial instruments	16,226
	<u>1,952,219</u>

10. Creditors: Amounts falling due after more than one year

	2018 £
Bank loans	6,283,453
	<u>6,283,453</u>

The bank loans are secured via a charge on the land and a floating charge across the assets of the company.

MP1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

11. Loans

	2018 £
Amounts falling due within one year	
Bank loans	96,547
	<u>96,547</u>
Amounts falling due 2-5 years	
Bank loans	4,795,614
	<u>4,795,614</u>
Amounts falling due after more than 5 years	
Bank loans	1,487,839
	<u>1,487,839</u>
	<u><u>6,380,000</u></u>

12. Financial instruments

	2018 £
Financial assets	
Financial assets measured at fair value through profit or loss	839,441
	<u><u>839,441</u></u>
Financial liabilities	
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	(16,226)
	<u><u>(16,226)</u></u>

Financial assets measured at fair value through profit or loss comprise cash at bank and the fair value of the derivative forward contract at the year end.

13. Share capital

2018
£

MP1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

13. Share capital (continued)

Allotted, called up and fully paid

100 Ordinary shares of £1.00 each

100

The company issued 100 ordinary shares of £1.00 each during the period.

14. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £
Not later than 1 year	30,000
Later than 1 year and not later than 5 years	120,000
Later than 5 years	697,500
Leased land total operating lease commitments	847,500

15. Related party transactions

Mongoose Energy Limited was the parent of Pogbie Holding Limited until 20th December 2018 when it disposed of its shareholding to Hermia Community Energy C.I.C.

Pogbie Holding Limited is the parent company of MP1 Limited and PB Community Energy CIC (PBCE).

MP1 Limited is a guarantor on loans totalling £6.38m taken out and fully drawn down by PBCE at 31 December 2018.

MP1 Limited and PBCE each own 50% of the shares in Pogbie Wind Farm (Grid) Ltd (PWF Grid).

Mongoose Energy Limited was paid £100,000 by MP1 Ltd relating to the management of the acquisition of shares in Pogbie Wind Farm (Grid) Ltd during the period to 31st December 2018 as well as a reimbursement of stamp duty originally paid by Mongoose Energy Limited of £2,625.

At 31 December 2018, MP1 Ltd was owed £1,113 by PBCE and was owed £4,248 by PWF Grid.

Pogbie Wind Farm (Grid) Limited recharges all invoices to MP1 Limited and PBCE, recharging 50% of the invoice amounts to each company.

16. Controlling party

The company is under the control of Hermia Community Energy C.I.C.

MP1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

17. Auditors' information

The auditors' report on the financial statements for the period ended 31 December 2018 was unqualified.

The audit report was signed on 7 May 2019 by David Lew (Senior Statutory Auditor) on behalf of Landau Baker Limited.