

CAPITAL STAGE TONEDALE LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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CAPITAL STAGE TONEDALE LLP

INFORMATION

Designated Members

Capital Stage Tonedale 1 Limited
Capital Stage Tonedale 2 Limited

LLP registered number

OC393552

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 TONEDALE LLP

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CAPITAL STAGE TONEDALE LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The members present their annual report together with the audited financial statements of Capital Stage Tonedale LLP (the "LLP") for the year ended 31 December 2019.

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law, requires the members to prepare financial statements for each financial year. Under that law the members 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 members 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP 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 members at the time when this Members' Report is approved has confirmed that:

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

PRINCIPAL ACTIVITY

The principal activity of the partnership was that of the ownership and operation of a solar farm.

DESIGNATED MEMBERS

Capital Stage Tonedale 1 Limited and Capital Stage Tonedale 2 Limited were designated members of the LLP throughout the year.

CAPITAL STAGE TONEDALE LLP

MEMBERS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

MEMBERS' CAPITAL AND INTERESTS

Details of changes in members' capital in the year ended 31 December 2019 are set out in the Reconciliation of Members' Interests.

Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

POST BALANCE SHEET EVENTS

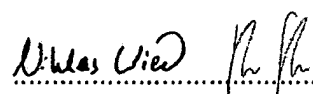
Viral epidemics that spread around the globe, such as the coronavirus, have no economic impact on the operating activities of the LLP. The solar park produces electricity from renewable energy sources predominantly on their own and are fully automated. Due to the impeccable technical condition of the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

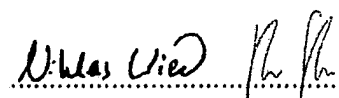
In light of the macroeconomic impact of the coronavirus so far, no negative impact is expected for the LLP over the longer term. If the current spread of the coronavirus continues for an extended period or worsens in the coming months, limitations in the on-site maintenance of the solar park due to individual 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 Companies Act 2006 as required by Regulation 36 of the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

This report was approved by the members on ..25.06.2020..... and signed on their behalf by:


Capital Stage Tonedale 1 Limited
Designated member


Capital Stage Tonedale 2 Limited
Designated member

CAPITAL STAGE TONEDALE LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL STAGE TONEDALE LLP

OPINION

We have audited the financial statements of Capital Stage Tonedale LLP (the 'LLP') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Reconciliation of Members' Interests 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 LLP's affairs as at 31 December 2019 and of its result 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, as applied to limited liability partnerships.

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 LLP 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP'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 TONEDALE LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL STAGE TONEDALE LLP (CONTINUED)

OTHER INFORMATION

The members are responsible for the other information. The other information comprises the information included in the Members' Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, 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
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF MEMBERS

As explained more fully in the Members' Responsibilities Statement on page 1, the members 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 members 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

CAPITAL STAGE TONEDALE LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL STAGE TONEDALE LLP (CONTINUED)

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 LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members 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 TONEDALE LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	3	688,165	618,707
Cost of sales		(301,018)	(333,651)
		<hr/>	<hr/>
GROSS PROFIT		387,147	285,056
Administrative expenses		(54,605)	(41,650)
Exceptional items	4	(85,983)	103,603
		<hr/>	<hr/>
OPERATING PROFIT	5	246,559	347,009
Interest payable and similar charges	6	(268,209)	(283,739)
		<hr/>	<hr/>
(LOSS)/PROFIT BEFORE TAX		(21,650)	63,270
		<hr/>	<hr/>
(Loss)/profit for the year before members' remuneration and allocation of (loss)/profit		(21,650)	63,270
Loss/(profit) allocated to the members		21,650	(63,270)
		<hr/>	<hr/>
RESULTS FOR THE YEAR		-	-
		<hr/>	<hr/>

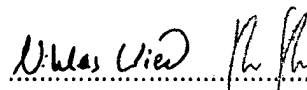
CAPITAL STAGE TONEDALE LLP
REGISTERED NUMBER: OC393552

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	7	4,297,849	4,503,669
CURRENT ASSETS			
Debtors	8	213,558	463,707
Cash at bank		540,841	766,316
		<u>754,399</u>	<u>1,230,023</u>
Creditors: amounts falling due within one year	9	<u>(319,449)</u>	<u>(343,048)</u>
NET CURRENT ASSETS		434,950	886,975
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,732,799</u>	<u>5,390,644</u>
Creditors: amounts falling due after more than one year	10	<u>(5,499,407)</u>	<u>(6,134,376)</u>
NET LIABILITIES		<u>(766,608)</u>	<u>(743,732)</u>
REPRESENTED BY:			
LOANS AND OTHER DEBTS DUE FROM MEMBERS WITHIN ONE YEAR			
Other amounts	12	<u>(766,608)</u>	<u>(743,732)</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due from members	12	<u>(766,608)</u>	<u>(743,732)</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 25.06.2020.....


 Capital Stage Tonedale 1 Limited
 Designated member


 Capital Stage Tonedale 2 Limited
 Designated member

The notes on pages 9 to 18 form part of these financial statements.

CAPITAL STAGE TONEDALE LLP

RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2019

	DEBT	
	Loans and other debts due to members less any amounts due from members in debtors	
	Other amounts	Total
	£	£
Amounts due from members	(743,732)	(743,732)
BALANCE AT 1 JANUARY 2019	(743,732)	(743,732)
Other divisions of profits	(21,650)	(21,650)
Drawings	(1,226)	(1,226)
Amounts due from members	(766,608)	(766,608)
BALANCE AT 31 DECEMBER 2019	(766,608)	(766,608)

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

The LLP has no equity and consequently a Statement of Changes in Equity has not been presented.

CAPITAL STAGE TONEDALE LLP

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

1. GENERAL INFORMATION

Capital Stage Tonedale LLP (Registered number: OC393552), having its registered office at 1st Floor Sackville House, 143-149 Fenchurch Street, London, EC3M 6BN, is a limited liability partnership, incorporated in England and Wales.

The principal place of business is Tonedale Farm, Linden Hill, Wellington, Somerset, TA21 0DW.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention 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 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

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 15.

CAPITAL STAGE TONEDALE LLP

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 LLP had net liabilities of £766,608 (2018: £743,732) and has an outstanding loan balance due to its Parent Company of £1,859,276 (2018: £2,012,703). The LLP 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 LLP's financial statements can be prepared on the going concern basis, the members 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 members were as follows:

- the banking facilities that the LLP and the wider Group has to operate within;
- compliance with the LLP and wider Group's loan facilities;
- the credit risk associated with the LLP's trade receivables;
- the risk of loss of the LLP'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 LLP 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 LLP expects to be able to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The members 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 members 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 TONEDALE LLP

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 partnership'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 partnership recognises turnover when the amount of turnover can be reliably measured, when it is probable that future economic benefits will flow to the partnership, and when specific criteria have been met for the partnership'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.

FiT Scheme

Due to the commissioning of the Solar Farm by the end of 2015 the LLP receives the subsidy falling under code PV/SA/06. This subsidy guarantees the Solar Farm a Generation and an Export Tariff which are guaranteed for 20 years. The pricing of this subsidy was first set when the Solar Farm was accredited by Ofgem and was dependent on the time of commissioning and the total installed capacity. The rates will be adjusted annually with reference to the Retail Price Index inflation measure which is calculated by the UK Government for each year and applied at the start of the financial year in the UK (1st of April).

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.

At each reporting date the LLP assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is provided on the following basis:

Solar farm	- 4% straight-line from commissioning of the farm
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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.

CAPITAL STAGE TONEDALE LLP

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

2. ACCOUNTING POLICIES (CONTINUED)

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.

2.8 FINANCIAL INSTRUMENTS

The LLP 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 Comprehensive Income.

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 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 LLP's functional and presentational currency is British Pounds 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 Comprehensive Income 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.

CAPITAL STAGE TONEDALE LLP

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 OPERATING LEASES: THE LLP AS LESSEE

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.13 BORROWING COSTS

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.14 TAX PROVISIONS

Taxation on results of the LLP is solely the liability of the individual members. Therefore neither income tax nor deferred tax arising in respect of the LLP's loss is recognised in the financial statements.

2.15 EXCEPTIONAL ITEMS

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

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. EXCEPTIONAL ITEMS

	2019 £	2018 £
Difference on foreign exchange	236,166	(33,265)
Movements in fair value of interest rate and cross currency swaps	(322,149)	136,868
	<u>85,983</u>	<u>(103,603)</u>

Foreign exchange difference on revaluation of bank loans

As at 31 December 2019 the company had a bank loan denominated in Euros of €4,607,595 (2018: €4,936,709). Due to fluctuations in the GBP/EUR exchange rate during the year a foreign exchange loss was recognised in the re-translation of this loan.

Movements in fair value of interest rate and cross currency swaps

See note 11 for details of the interest rate and cross currency swap agreements entered into by the company.

CAPITAL STAGE TONEDALE LLP

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

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	205,820	204,635
Difference in foreign exchange	(236,166)	33,265
Other operating lease rentals	30,944	23,681
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	6,000	6,000
	<u>205,820</u>	<u>267,581</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Bank interest payable	146,041	151,842
Other loan interest payable	122,168	131,897
	<u>268,209</u>	<u>283,739</u>

During the year loan interest of £122,168 (2018: £131,897) was recognised as payable to Encavis AG, the LLP's ultimate parent undertaking.

CAPITAL STAGE TONEDALE LLP

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

7. TANGIBLE FIXED ASSETS

	Solar farm £
COST	
At 1 January 2019 and 31 December 2019	5,145,497
DEPRECIATION	
At 1 January 2019	641,828
Charge for the year	205,820
At 31 December 2019	847,648
NET BOOK VALUE	
At 31 December 2019	4,297,849
At 31 December 2018	4,503,669

CAPITAL STAGE TONEDALE LLP

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

8. DEBTORS

	2019 £	2018 £
Due within one year		
Trade debtors	69,281	-
Prepayments and accrued income	19,927	17,208
Fair value of interest rate and cross currency swaps	124,350	446,499
	<u>213,558</u>	<u>463,707</u>

9. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank loans (secured - see note 10)	280,010	294,991
Trade creditors	9,624	13,814
Other taxation and social security	6,877	6,343
Accruals and deferred income	22,938	27,900
	<u>319,449</u>	<u>343,048</u>

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

	2019 £	2018 £
Amounts falling due between one and five years		
Bank loans (secured - see below)	1,120,040	1,179,964
Amounts falling due after more than five years		
Bank loans (secured - see below)	2,520,091	2,941,709
Amounts owed to group undertakings	1,859,276	2,012,703
	<u>5,499,407</u>	<u>6,134,376</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. Details of the interest rates charged on the loans are shown in note 11.

The maximum term of the facilities run to 30 December 2033.

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

CAPITAL STAGE TONEDALE LLP

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

11. FINANCIAL INSTRUMENTS

The LLP has entered into an interest rate swap agreement relating to the bank loan currently held with Bayerische Landesbank, and a cross currency swap agreement in relation to the long term facility. 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 24 March 2016, with a termination date of 30 December 2033, being the full term of the long term loan facility of the company. A rate of 1.6% + the KfW interest rate applies to the facility. This agreement fixed the rate at 3.82% on a fixed sterling balance of £3.9 million until 31 March 2026 and is subsequently revised to 5.28% on the remaining £2.0m until 30 December 2033.

The cross currency swap agreement applies to an original principal loan of €4,936,709 which has been fixed at a sterling balance of £3.9 million, subject to capital repayments.

As at 31 December 2019, the long term facility consisted of £280,010 (2018: £294,991) included in bank loans due within one year and £3,640,131 (2018: £4,121,673) included within bank loans due after more than one year.

At the year end, the valuation of these agreements included within debtors due within one year was an asset of £124,350 (2018: £466,499).

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.

12. LOANS AND OTHER DEBTS DUE FROM MEMBERS

	2019 £	2018 £
Amounts due from members	<u>766,608</u>	<u>743,732</u>

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	28,750	28,750
Later than 1 year and not later than 5 years	115,000	115,000
Later than 5 years	482,668	511,418
	<u>626,418</u>	<u>655,168</u>

CAPITAL STAGE TONEDALE LLP

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

14. RELATED PARTY TRANSACTIONS

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

15. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

As at 31 December 2019 and 31 December 2018 the immediate and 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 LLP's results are consolidated.

16. ULTIMATE CONTROLLING PARTY

As at 31 December 2019 and 31 December 2018 there was no ultimate controlling party of the LLP.