

## **Welborne Energy LLP**

Report and Financial Statements

Year Ended

30 June 2017

Company Number OC392114

TUESDAY



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03/04/2018

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COMPANIES HOUSE

# **Welborne Energy LLP**

## **Information**

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### **Designated Members**

Southwick Solar Farm Limited (Corporate member)  
J R Thistlethwayte (individual member)  
M E Thistlethwayte (individual member)

### **LLP registered number**

OC392114

### **Registered office**

2nd Floor 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

### **Independent auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Welborne Energy LLP**

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# **Welborne Energy LLP**

## **Members' Report For the Year Ended 30 June 2017**

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The members present their report together with the financial statements for the year ended 30 June 2017.

### **Principal activities**

The principal activity of the LLP is the operation of a solar farm and the generation and sale of electricity.

### **Designated Members**

The members during the year were:

Southwick Solar Farm Limited (Corporate member)

J R Thistlethwayte (individual member)

M E Thistlethwayte (individual member)

### **Policy on members' drawings and the subscription and repayment of members' capital**

The individual members may draw one quarter of the basis rent on account of the Lease Income Payment as defined in the LLP agreement, on 25 March, 24 June, 29 September and 25 December each year.

### **Results**

The results for the year are shown on page 7.

# **Welborne Energy LLP**

## **Members' Report (continued) For the Year Ended 30 June 2017**

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### **Members' responsibilities statement**

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members has 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, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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;
- 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**

The members at the time when this Members' Report is approved have 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.

## Welborne Energy LLP

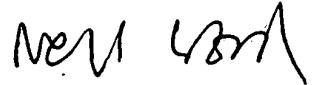
**Members' Report (continued)**  
**For the Year Ended 30 June 2017**

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### **Auditors**

The auditors, BDO LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 03/04/18 and signed on their behalf by:



**N A Wood**  
**On behalf of Southwick Solar Farm Limited**  
**Designated member**

# **Welborne Energy LLP**

## **Independent Auditor's Report to the Members of Welborne Energy LLP**

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### **Opinion**

We have audited the financial statements of Welborne Energy Limited Liability Partnership for the year ended 30 June 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, statement of cash flows and notes to the financial statements, 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 Limited Liability Partnership affairs as at 30 June 2017 and of its loss 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

### **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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Limited Liability Partnership'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.

### **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 auditor's 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.

# Welborne Energy LLP

## Independent Auditor's Report to the Members of Welborne Energy LLP (continued)

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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.

### **Opinions 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 Members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' report has been prepared in accordance with applicable legal requirements.

### **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; or
- the Members were not entitled to prepare the financial statements in accordance with the small limited liability partnership's regime.

### **Responsibilities of members**

As explained more fully in the Members' responsibilities statement, 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 Limited Liability Partnership'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 Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's 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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



## Welborne Energy LLP

### Independent Auditor's Report to the Members of Welborne Energy LLP (continued)

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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 auditor's 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Marc Reinecke** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 31/4/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Welborne Energy LLP

## Statement of Comprehensive Income For the Year Ended 30 June 2017

	Note	30 June 2017 £	6 months ended 30 June 2016 £
Turnover	3	5,433,844	2,684,805
Administrative expenses		(3,043,526)	(1,387,116)
<b>Operating profit</b>	4	<b>2,390,318</b>	<b>1,297,689</b>
Interest receivable and similar income	6	9,661	235
Interest payable and similar expenses	7	(3,034,012)	(1,362,977)
<b>Loss before tax</b>		<b>(634,033)</b>	<b>(65,053)</b>
Loss allocated to members' interest		634,033	65,053
<b>Profit for the financial year available for discretionary division among members</b>		<b>-</b>	<b>-</b>

There was no other comprehensive income for 2017(2016:£NIL).

All amounts relate to continuing activities of the Company.


The notes on pages 11 to 20 form part of these financial statements.

**Welborne Energy LLP**  
Registered number: OC392114

**Statement of Financial Position**  
As at 30 June 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	8	38,262,192	39,877,044
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	3,741,171	2,593,736
		<u>3,741,171</u>	<u>2,593,736</u>
Creditors: amounts falling due within one year	10	(940,130)	(688,773)
<b>Net current assets</b>		<u>2,801,041</u>	<u>1,904,963</u>
<b>Total assets less current liabilities</b>		<u>41,063,233</u>	<u>41,782,007</u>
Creditors: amounts falling due after more than one year	11	(42,227,777)	(42,322,845)
		<u>(1,164,544)</u>	<u>(540,838)</u>
<b>Provisions for liabilities</b>			
Other provisions	13	(423,450)	(413,123)
<b>Net liabilities</b>		<u>(1,587,994)</u>	<u>(953,961)</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
<b>Members' other interests</b>			
Members' capital classified as liabilities		(1,587,994)	(953,961)
		<u>(1,587,994)</u>	<u>(953,961)</u>
<b>Total members' interests</b>			
Members' other interests		(1,587,994)	(953,961)
		<u>(1,587,994)</u>	<u>(953,961)</u>

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



03/04/18

**N A Wood**  
On behalf of Southwick Solar Farm Limited  
Designated member

The notes on pages 11 to 20 form part of these financial statements.

## Welborne Energy LLP

### Statement of Changes in Equity For the Year Ended 30 June 2017

	Members' other interests £	Total equity £
At 1 July 2016	(953,961)	(953,961)
<b>Comprehensive loss for the year</b>		
Allocated loss	(634,033)	(634,033)
<b>At 30 June 2017</b>	<u>(1,587,994)</u>	<u>(1,587,994)</u>

### Statement of Changes in Equity For the Period Ended 30 June 2016

	Members' other interests £	Total equity £
At 1 January 2016	(888,908)	(888,908)
<b>Comprehensive loss for the period</b>		
Allocated loss	(65,053)	(65,053)
<b>At 30 June 2016</b>	<u>(953,961)</u>	<u>(953,961)</u>

The notes on pages 11 to 20 form part of these financial statements.

# Welborne Energy LLP

## Statement of Cash Flows For the Year Ended 30 June 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(634,033)	(65,053)
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,614,851	807,159
Interest payable	3,034,012	1,362,977
Interest receivable	(9,661)	(235)
(Increase) in debtors	(234,405)	(762,040)
Increase/(decrease) in creditors	251,358	(1,692,415)
(Increase)/decrease in amounts owed by/(to) groups	(913,030)	(1,045,764)
Increase in provisions	10,327	-
<b>Net cash generated from operating activities</b>	<b>3,119,419</b>	<b>(1,395,371)</b>
<b>Cash flows from investing activities</b>		
Interest received	9,661	235
<b>Net cash from investing activities</b>	<b>9,661</b>	<b>235</b>
<b>Cash flows from financing activities</b>		
New loans from group companies	-	42,455,188
Loans from group companies repaid	-	(40,303,767)
Interest paid	(3,129,080)	(756,285)
<b>Net cash used in financing activities</b>	<b>(3,129,080)</b>	<b>1,395,136</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
	-	-

The notes on pages 11 to 20 form part of these financial statements.

# Welborne Energy LLP

## Notes to the Financial Statements For the Year Ended 30 June 2017

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

Welborne Energy LLP (the "Company") is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company information page and the nature of the Company's operations and its principal activities are set out in the Members' report.

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 United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The comparatives represent a period of 6 months and therefore are not directly comparable.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

#### 1.2 Going concern

These accounts have been prepared on a going concern basis. The members believe this basis is appropriate following the consideration of cashflow forecasts which show the LLP is able to meet its liabilities as they fall due. In view of this and the fact that loan funding from the ultimate parent company does not fall due in the next 12 months, the members have concluded that the limited liability partnership has sufficient liquidity to enable it to trade as a going concern.

#### 1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax. Turnover refers to income from electricity generation, through owning and operating a ground mounted solar photovoltaic installation, which provides turnover from the sale of electricity and renewable incentive certificates. Turnover is recognised as electricity is generated.

#### 1.4 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.

The LLP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

# **Welborne Energy LLP**

## **Notes to the Financial Statements For the Year Ended 30 June 2017**

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### **1. Accounting policies (continued)**

#### **1.4 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.

The estimated useful lives range as follows:

Plant and machinery	- Over the term of the lease for the site (25 years)
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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.

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

#### **1.5 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.

# Welborne Energy LLP

## Notes to the Financial Statements For the Year Ended 30 June 2017

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### 1. Accounting policies (continued)

#### 1.6 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 payables or receivables, 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 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.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 1.7 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.

#### 1.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 1.9 Leased assets

Payments under operating leases are recognised as an expense in the Statement of Comprehensive Income over the lease term on a straight-line basis.



# Welborne Energy LLP

## Notes to the Financial Statements For the Year Ended 30 June 2017

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### 1. Accounting policies (continued)

#### 1.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

#### 1.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

#### 1.12 Members' remuneration

Profits of the LLP will be allocated between the Members and shall be credited to the Members' current accounts with the LLP as soon as the annual accounts for the relevant accounting year of the LLP are approved by the Members.

The Individual Members are entitled to the Lease Income Payment and the remaining profits (if any) are allocated to the Corporate Member.

Any losses of any nature shall be allocated to the Corporate Member.

### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

a) Determine whether leases entered into by the company either as a lessor or lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

b) Going concern - refer to note 1.2.

c) Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d) Accrued income is calculated on the actual electricity generated which is not able to be invoiced as it is yet to be validated by external parties or for various other reasons. Estimates are sometimes made with regards to price on portions of income or other certain aspects of the accrued income based on management's best information of the price at the time such as contracted prices or recent history of transactions.

e) There is an obligation to restore the land back to its original condition at the end of the lease. The estimated amount in the accounts is calculated by multiplying the weighted average cost of restoration per MW by the capacity MWp of the farm and discounted over the life of the lease at a 2.5% risk free rate.

## Welborne Energy LLP

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 3. Turnover

All turnover arose within the United Kingdom.

#### 4. Operating profit

The operating profit is stated after charging:

	30 June 2017 £	6 months ended 30 June 2016 £
Depreciation of tangible fixed assets	1,614,851	807,159
Auditors remuneration:		
Fees payable to the Company's auditor for the audit of the company's annual financial statements	3,588	3,500
Fees payable to the Company's auditors for other services:		
- Accounting services	5,125	3,075
- Taxation compliance services	2,500	5,038
Operating leases - land	<u>226,906</u>	<u>103,200</u>

#### 5. Employees

The partnership has no employees.

#### 6. Interest receivable

	30 June 2017 £	6 months ended 30 June 2016 £
Other interest receivable	9,661	235
	<u>9,661</u>	<u>235</u>

# Welborne Energy LLP

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 7. Interest payable and similar charges

	30 June 2017 £	6 months ended 30 June 2016 £
Interest on loan from parent	3,034,012	1,362,977
	<u>3,034,012</u>	<u>1,362,977</u>

### 8. Tangible fixed assets

	Plant and machinery £
<b>Cost or valuation</b>	
At 1 July 2016	41,932,907
At 30 June 2017	<u>41,932,907</u>
<b>Depreciation</b>	
At 1 July 2016	2,055,864
Charge for the year on owned assets	1,614,851
At 30 June 2017	<u>3,670,715</u>
<b>Net book value</b>	
At 30 June 2017	<u>38,262,192</u>
At 30 June 2016	<u>39,877,044</u>

## Welborne Energy LLP

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 9. Debtors

	2017 £	2016 £
Trade debtors	-	289,413
Amounts owed by parent	1,786,590	873,560
Other debtors	180,347	120,235
Prepayments and accrued income	1,774,234	1,310,528
	<u>3,741,171</u>	<u>2,593,736</u>

#### 10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	125,840	3,827
Amounts owed to parent	-	9,462
Other creditors	205,388	3,481
Accruals and deferred income	608,902	672,003
	<u>940,130</u>	<u>688,773</u>

#### 11. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to parent	42,227,777	42,322,845
	<u>42,227,777</u>	<u>42,322,845</u>

The loan is repayable in 2039 and bears interest at a rate of 7%, compounding annually on 30 June, and increasing in line with the annual RPI for the previous 12 months. The loan is unsecured.

# Welborne Energy LLP

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 12. Financial instruments

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	3,711,612	2,558,862
	<u>3,711,612</u>	<u>2,558,862</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(43,167,908)	(43,011,618)
	<u>(43,167,908)</u>	<u>(43,011,618)</u>

Financial assets measured at amortised cost comprise cash, trade debtors and amounts owed by parent.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and amounts owed to parent.

### 13. Provisions

	Restoration provision £
At 1 July 2016	413,123
Charged to statement of comprehensive income	10,327
<b>At 30 June 2017</b>	<u><u>423,450</u></u>

The restoration provision relates to the land of the solar farm. The provision will be fully utilised at the end of the lease period which expires on 31 December 2040.

# Welborne Energy LLP

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 14. Reconciliation of members' interests

	Members' other interests Members' other interests £	Total £
Balance at 1 January 2016	(888,908)	(888,908)
Members' interests after profit for the period	(888,908)	(888,908)
Loss allocated to members' interests	(65,053)	(65,053)
Balance at 1 July 2016	(953,961)	(953,961)
Members' interests after loss for the year	(953,961)	(953,961)
Loss allocated to members' interests	(634,033)	(634,033)
Balance at 30 June 2017	(1,587,994)	(1,587,994)

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.

### 15. Commitments under operating leases

At 30 June 2017 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	208,469	207,432
Later than 1 year and not later than 5 years	844,352	840,152
Later than 5 years	4,015,148	4,227,818
	<u>5,067,969</u>	<u>5,275,402</u>

### 16. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

The Company incurred expenses and fees of £170,563 (2016: £25,724) payable to Bluefield Services Limited. The amounts represent asset management services provided by Bluefield Services Limited in advising the Company. At the year end £11,328 (2016: £nil) was owed to Bluefield Services Limited.

## **Welborne Energy LLP**

### **Notes to the Financial Statements For the Year Ended 30 June 2017**

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#### **17. Controlling party**

Southwick Solar Farm Limited is the corporate member of the LLP and has control over Welborne Energy LLP under the terms of the Limited Liability Partnership agreement. The ultimate parent company is Bluefield Solar Income Fund Limited incorporated in Guernsey.