

Report of the Directors and
Unaudited Financial Statements for the Year Ended 30 June 2018
for
Cuckoo Solar Limited



Cuckoo Solar Limited

Contents of the Financial Statements
for the Year Ended 30 June 2018

	Page
Company Information	1
Report of the Directors	2
Statement of Profit or Loss	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Statement of Cash Flows	10
Notes to the Financial Statements	11

Cuckoo Solar Limited

Company Information
for the Year Ended 30 June 2018

DIRECTORS:

Pinecroft Corporate Services Limited
G E Shaw

REGISTERED OFFICE:

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

REGISTERED NUMBER:

08145854 (England and Wales)

Cuckoo Solar Limited

Report of the Directors for the Year Ended 30 June 2018

The directors present their report with the financial statements of the company for the year ended 30 June 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the development and generation of electricity using solar technology on a solar farm located in Harverfordwest, Pembrokeshire.

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 July 2017 to the date of this report.

Pinecroft Corporate Services Limited
G E Shaw

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to be in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts.

SMALL COMPANY EXEMPTION

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cuckoo Solar Limited

Report of the Directors
for the Year Ended 30 June 2018

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:

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

G E Shaw - Director

22 February 2019

Cuckoo Solar Limited

Statement of Profit or Loss
for the Year Ended 30 June 2018

		Year Ended 30.6.18 £	Period 1.1.16 to 30.6.17 £
	Notes		
CONTINUING OPERATIONS			
Revenue		737,691	1,001,517
Cost of sales		<u>(58,540)</u>	<u>(102,745)</u>
GROSS PROFIT		679,151	898,772
Administrative expenses		<u>(631,820)</u>	<u>(800,610)</u>
OPERATING PROFIT		47,331	98,162
Finance costs	4	(335,252)	(439,741)
Finance income	4	<u>266</u>	<u>-</u>
LOSS BEFORE CORPORATION TAX	5	(287,655)	(341,579)
Corporation tax	6	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u><u>(287,655)</u></u>	<u><u>(341,579)</u></u>

The notes form part of these financial statements

Cuckoo Solar Limited

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 30 June 2018

	Year Ended 30.6.18 £	Period 1.1.16 to 30.6.17 £
LOSS FOR THE YEAR	(287,655)	(341,579)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(287,655)</u>	<u>(341,579)</u>

The notes form part of these financial statements

Cuckoo Solar Limited (Registered number: 08145854)

Statement of Financial Position
30 June 2018

	Notes	30.6.18 £	30.6.17 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,161,313	5,396,253
Trade and other receivables	8	<u>210,535</u>	<u>-</u>
		<u>5,371,848</u>	<u>5,396,253</u>
CURRENT ASSETS			
Trade and other receivables	8	813,967	621,595
Cash and cash equivalents	9	<u>107,337</u>	<u>111,158</u>
		<u>921,304</u>	<u>732,753</u>
TOTAL ASSETS		<u><u>6,293,152</u></u>	<u><u>6,129,006</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	10	1	1
Retained earnings	11	<u>(567,809)</u>	<u>(280,154)</u>
TOTAL EQUITY		<u><u>(567,808)</u></u>	<u><u>(280,153)</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	12	-	5,879,321
Financial liabilities - borrowings			
Interest bearing loans and borrowings	1	6,711,039	-
	3	<u>-</u>	<u>-</u>
		<u>6,711,039</u>	<u>5,879,321</u>
CURRENT LIABILITIES			
Trade and other payables	12	<u>149,921</u>	<u>529,838</u>
TOTAL LIABILITIES		<u><u>6,860,960</u></u>	<u><u>6,409,159</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,293,152</u></u>	<u><u>6,129,006</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

The notes form part of these financial statements

Cuckoo Solar Limited (Registered number: 08145854)

Statement of Financial Position - continued
30 June 2018

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

The financial statements were approved by the Board of Directors on 22 February 2019 and were signed on its behalf by:



G E Shaw - Director

The notes form part of these financial statements

Cuckoo Solar Limited

Statement of Changes in Equity
for the Year Ended 30 June 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	1	61,425	61,426
Changes in equity			
Total comprehensive income	<u>-</u>	<u>(341,579)</u>	<u>(341,579)</u>
Balance at 30 June 2017	<u>1</u>	<u>(280,154)</u>	<u>(280,153)</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>(287,655)</u>	<u>(287,655)</u>
Balance at 30 June 2018	<u><u>1</u></u>	<u><u>(567,809)</u></u>	<u><u>(567,808)</u></u>

The notes form part of these financial statements

Cuckoo Solar Limited

Statement of Cash Flows
for the Year Ended 30 June 2018

	Year Ended 30.6.18 £	Period 1.1.16 to 30.6.17 £
Cash flows from operating activities		
Cash generated from operations 1	<u>(500,553)</u>	<u>104,479</u>
Net cash from operating activities	<u>(500,553)</u>	<u>104,479</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	<u>-</u>	<u>(3,908)</u>
Net cash from investing activities	<u>-</u>	<u>(3,908)</u>
Cash flows from financing activities		
New loans in year	6,711,039	-
Loan repayments in year	(5,879,321)	-
Interest paid	(335,252)	(439,741)
Interest received	<u>266</u>	<u>-</u>
Net cash from financing activities	<u>496,732</u>	<u>(439,741)</u>
	<u>(3,821)</u>	<u>(339,170)</u>
Decrease in cash and cash equivalents		
Cash and cash equivalents at beginning of year 2	<u>111,158</u>	<u>450,328</u>
Cash and cash equivalents at end of year 2	<u><u>107,337</u></u>	<u><u>111,158</u></u>

The notes form part of these financial statements

Cuckoo Solar Limited

Notes to the Statement of Cash Flows
for the Year Ended 30 June 2018

1. **RECONCILIATION OF LOSS BEFORE CORPORATION TAX TO CASH GENERATED FROM OPERATIONS**

	Year Ended 30.6.18 £	Period 1.1.16 to 30.6.17 £
Loss before corporation tax	(287,655)	(341,579)
Depreciation charges	234,940	351,117
Finance costs	335,252	439,741
Finance income	<u>(266)</u>	<u>-</u>
	282,271	449,279
Increase in trade and other receivables	(402,907)	(507,662)
(Decrease)/increase in trade and other payables	<u>(379,917)</u>	<u>162,862</u>
Cash generated from operations	<u>(500,553)</u>	<u>104,479</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 June 2018

	30.6.18 £	1.7.17 £
Cash and cash equivalents	<u>107,337</u>	<u>111,158</u>

Period ended 30 June 2017

	30.6.17 £	1.1.16 £
Cash and cash equivalents	<u>111,158</u>	<u>450,328</u>

The notes form part of these financial statements

Cuckoo Solar Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

1. **GENERAL INFORMATION**

Cuckoo Solar Limited is a company incorporated and domiciled in the United Kingdom. The address of the registered office is Foresight Group LLP, The Shard, London Bridge Street, London, SE1 9SG.

During the year the Company's activity is the development and generation of electricity using solar technology on a solar farm in Harverfordwest, Pembrokeshire.

2. **ACCOUNTING POLICIES**

Basis of preparation

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

Measurement convention

The financial statements have been prepared under the historical cost convention.

Adopted IFRSs not yet applied

The following Adopted IFRSs have been issued but, not being effective for the financial year ended 30 June 2018, have not been applied in these financial statements.

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

The directors do not anticipate that the adoption of the above standards will have a material impact on the company's financial statements in the period of initial application.

Revenue recognition

Revenue represents income from the generation of energy from the operational solar park during the period. Any income not invoiced is accrued in the period in which it has been generated.

Revenue is stated net of value added tax and is generated entirely within the United Kingdom.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs are expensed as incurred as they do not meet the capitalisation criteria under IAS 23, as the construction of the related assets does not require a substantial period of time. Items of property, plant and equipment are depreciated to their estimated residual values on a straight line basis over their expected useful lives as follows:

Solar Photovoltaic (PV) assets - over 25 years - 4% straight line

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking account technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in the income statement.

2. ACCOUNTING POLICIES - continued

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Impairment of non-financial assets

Carrying value of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

A previously recognised impairment will be revised insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

Financial instruments

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, accounts payable and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All normal purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell the financial assets.

2. ACCOUNTING POLICIES - continued

De-recognition of financial assets and liabilities

A financial asset, or apportion of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The company retains the right to receive the cash flow from the asset, but has assumed an obligation to pay them in full without material delay to a third party under "pass-through" arrangement, or
- The company has transferred the rights to receive cash flows from the asset and either:
 - (i) has transferred substantially all the risks and rewards of ownership of the asset or
 - (ii) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

Trade and other receivables

Trade and other receivables reflected on the balance sheet are net of an allowance for uncollectible amounts.

Financial liabilities

Loans and accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any features meeting the definition of financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Cuckoo Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

2. ACCOUNTING POLICIES - continued

Equity

Equity comprises the following

- "Share capital" represents the nominal value of ordinary equity shares.
- "Retained deficit" include all current results as disclosed in the income statement.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The loan balances represent inter-company loans.

Going concern

The Directors have a reasonable expectation that the company has adequate resources to be in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 30 June 2018 nor for the period ended 30 June 2017.

	Year Ended 30.6.18 £	Period 1.1.16 to 30.6.17 £
Directors' remuneration	-	-

4. NET FINANCE COSTS

	Year Ended 30.6.18 £	Period 1.1.16 to 30.6.17 £
Finance income:		
Interest receivable	266	-

Cuckoo Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

4. NET FINANCE COSTS - continued

	Year Ended 30.6.18 £	Period 1.1.16 to 30.6.17 £
Finance costs:		
Bank loan interest	187,061	-
Shareholder loan interest	<u>148,191</u>	<u>439,741</u>
	<u>335,252</u>	<u>439,741</u>
 Net finance costs	 <u>334,986</u>	 <u>439,741</u>

5. LOSS BEFORE CORPORATION TAX

The loss before corporation tax is stated after charging:

	Year Ended 30.6.18 £	Period 1.1.16 to 30.6.17 £
Depreciation - owned assets	<u>234,940</u>	<u>351,117</u>

Cuckoo Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

6. CORPORATION TAX

Deferred tax asset accumulated on losses:

	30.6.18	30.6.17
	£	£
Loss per financial statements:	(287,655)	(341,579)
Add:		
Depreciation	234,940	351,117
Non deductible expenses	14,540	3,824
Less:		
Capital allowances	(374,158)	(678,940)
Trading loss:	(412,333)	(665,578)
Losses b/f trading	(1,275,522)	(609,944)
Taxable trading loss	(1,687,855)	(1,275,522)

Deferred tax asset (DTA) at 17% (2017 20%) : **286,935** **255,104**

Deferred tax liabilities:

	30.6.18	30.6.17
	£	£
Additions	-	3,908
Depreciation	234,940	351,117
Net Book Value (NBV)	5,161,313	5,396,253
Capital Allowances	374,158	678,940
Tax Book Value (TWDV)	4,022,905	4,397,063
NBV - TWDV	1,138,408	999,190

Deferred tax liability (DTL) at 17% (2017 20%) : **(193,529)** **(199,838)**

Deferred taxation DTA/(DTL) **93,406** **55,266**

The deferred tax asset has not been recognised as the company is currently loss making.

Cuckoo Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

7. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £
COST	
At 1 July 2017 and 30 June 2018	<u>5,867,054</u>
DEPRECIATION	
At 1 July 2017	470,801
Charge for year	<u>234,940</u>
At 30 June 2018	<u>705,741</u>
NET BOOK VALUE	
At 30 June 2018	<u>5,161,313</u>
At 30 June 2017	<u>5,396,253</u>

8. TRADE AND OTHER RECEIVABLES

	30.6.18 £	30.6.17 £
Current:		
Trade debtors	26,337	30,316
Other debtors	239,017	577,957
Intercompany receivable	548,613	-
VAT	<u>-</u>	<u>13,322</u>
	<u>813,967</u>	<u>621,595</u>
Non-current:		
Debt service reserve account	<u>210,535</u>	<u>-</u>
Aggregate amounts	<u>1,024,502</u>	<u>621,595</u>

9. CASH AND CASH EQUIVALENTS

	30.6.18 £	30.6.17 £
Bank account	<u>107,337</u>	<u>111,158</u>

Cuckoo Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.6.18	30.6.17
Number:	Class:		£	£
1	Ordinary	1	<u>1</u>	<u>1</u>

11. RESERVES

	Retained earnings £
At 1 July 2017	(280,154)
Deficit for the year	<u>(287,655)</u>
At 30 June 2018	<u>(567,809)</u>

12. TRADE AND OTHER PAYABLES

	30.6.18 £	30.6.17 £
Current:		
Trade creditors	24,969	280,412
Other creditors	118,432	249,426
VAT	<u>6,520</u>	<u>-</u>
	<u>149,921</u>	<u>529,838</u>
Non-current:		
Shareholder loan	<u>-</u>	<u>5,879,321</u>
Aggregate amounts	<u>149,921</u>	<u>6,409,159</u>

13. FINANCIAL LIABILITIES - BORROWINGS

	30.6.18 £	30.6.17 £
Non-current:		
Bank loans - 1-2 years	<u>6,711,039</u>	<u>-</u>

Terms and debt repayment schedule

	1-2 years £
Bank loans	<u>6,711,039</u>

Cuckoo Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

13. FINANCIAL LIABILITIES - BORROWINGS - continued

At the year end the company has a loan agreement with the Royal Bank of Scotland with an interest rate of 1.75% p.a. + Libor. The loan is repayable by 30 September 2019.

14. OTHER FINANCIAL COMMITMENTS

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

Financial Liabilities	1 year	2 to 5 years	After 5 years
Operating Leases	44,840	179,360	728,650

15. EVENTS AFTER THE REPORTING PERIOD

On 2 August 2018 the company was sold by Solarsource Limited to FS Cuckoo Limited.

16. FINANCIAL INSTRUMENTS

Fair Value category

The financial assets and liabilities held by the Company for both 30 June 2018 and the 30 June 2017 were categorised under loans and receivables.

Fair value measurement

The fair value of the financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 30.6.18 £	Carrying Amount 30.6.17 £	Fair Value 30.6.18 £	Fair Value 30.6.17 £
Financial assets:				
Trade and other receivables	996,835	353,895	996,835	353,895
Financial liabilities:				
Trade and other payables	143,401	6,409,159	143,401	6,409,159

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of the instruments.

17. FINANCIAL RISK MANAGEMENT

The company's principal financial assets and liabilities comprise trade receivables, cash, interest bearing loans and trade payables.

The company has exposure to the following risks from its use of financial instruments:

- Market risks, including foreign currency, commodity price, interest rate, inflation rate risks
- Credit risk
- Liquidity risk

This note represents information about the company's exposure to each of the above risks and the company's objectives, policies and processes for assessing and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The company is not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the company operates.

The company has limited exposure to interest rate risk. The company is partially funded by the parent company and has floating rate interest bearing loans at 30 June 2018. The company does not intend to hold cash for the purpose of generating interest income. The company does not currently consider it necessary to actively manage interest rate risk.

b) Credit risk

The company's policy are aimed at minimising losses as a result of counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the company are considered by management to be of appropriate credit rating. At each balance sheet date, the company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date are the carrying value of the credit balances if any.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company monitors its risks of shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and obligations.

Cuckoo Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

Period ended 30 June 2018

	On demand £	Less than 3 months £	3 to 12 months £	1 to 5 years £	>5 years £	Total £
Financial Liabilities						
Trade and other payables	-	90,831	59,090	-	-	149,921
Owing to group company	-	-	-	-	-	-
						<u>149,921</u>

Period ended 30 June 2017

	On demand £	Less than 3 months £	3 to 12 months £	1 to 5 years £	>5 years £	Total £
Financial Liabilities						
Trade and other payables	280,412	-	46,426	-	-	326,838
Owing to group company	203,000	-	-	-	5,879,321	<u>6,082,321</u>
						<u>6,409,159</u>

d) Capital management

Management considers capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The company's policy is to finance its operations through group borrowings. It is the company's policy not to hold financial instruments for speculative purposes.

Cuckoo Solar Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

18. RELATED PARTIES TRANSACTIONS

At the 30 June 2017 the company owed a long-term loan of £5,879,321 to Solarsource Limited, the parent company. The loan was repaid during the current year. Interest payable is calculated at a flat rate of 5% and amounted to £148,191 during the year.

The amount of £548,613 is owed by Solarsource Limited for short term working capital requirements during the course of the year, which was outstanding at the year end.

During the year the aggregate cost of services provided by Solarsource Limited, in respect of asset management fees, amounts to £201,300.

During the year, the net cost of recharged expenses and arrangement fees from Foresight Group LLP amounted to £4,609 which was outstanding at the end of the year.

19. ULTIMATE CONTROLLING PARTY

The directors consider there to be no ultimate controlling party.