



småkraft®

Småkraft Green Bond 1 AS - Group

Annual Report 2018

Consolidated, unaudited version

Group	PROFIT AND LOSS- STATEMENT				Småkraft Green Bond 1 AS
	2 018	Note		Note	2018
Operating revenue and costs					
	24 000		Other operating costs		24 000
	24 000		Total operating costs		24 000
	-24 000		Operating profit (-loss)		-24 000
Financial income and financial costs					
	808 303		Interest income from group companies		808 303
	126 983		Interest costs to Småkraft AS		126 983
	681 320		Net financial items		681 320
	657 320		Profit (-loss) before taxation		657 320
	151 184	3	Tax expenses	3	151 184
	506 136		Profit (-loss) for the year		506 136
	506 136		Net income		506 136
Dispositions					
	506 136	7	Group Contribution Småkraft Group	7	506 136
			Total dispositions		506 136

Group		ASSETS (in kr)		Småkraft Green Bond 1 AS
2018	Note		Note	2018
Assets				
Non- current assets				
Intangible assets				
102 347 577		Other intangible assets		
8 081 918		Goodwill		
110 429 495		Total intangible assets		
Fixed assets				
612 893 037	4	Property, plants and equipment	4	38 357 272
612 893 037		Total fixed assets		38 357 272
Financial non- current assets				
	5	Investments in subsidiaries	5	166 322 333
	6	Loans to associates	6	375 876 168
738 249		Other long term receivables		
738 249		Total financial non- current assets		542 198 501
724 060 781		Total non- current assets		580 555 773
Current assets				
Receivables				
1 430 396		Accounts recievables		
5 863 394		Accounts recievables group companies		
6 928 300		Other short term receivables		6 294 847
	6	Loans to group companies	6	5 498 822
14 222 090		Total receivables		11 793 669
47 300 022		Cash and cash equivalents		
61 522 112		Total current assets		11 793 669
785 582 893		Total assets		592 349 442

2018	Note		Note	2018
Equity and Liabilities				
Shareholders Equity				
Paid- in capital				
50 000 000	2, 7	Share capital	2, 7	50 000 000
362 826 388	7	Share premium reserve	7	362 826 388
107 288 458	7	Not registered capital increase	7	107 288 458
520 114 846		Total paid in capital		520 114 846
Retained earnings				
2 079 127		Minority interests		
1 308 658		Retained earnings		
3 387 785		Total retained earnings		
523 502 631		Total Equity		520 114 846
Liabilities				
Provisions				
14 366 132		Deferred tax		
14 366 132		Total provisions		
Long term liabilities				
143 022 270		Debt to financial institutions		
	6	Debt to group companies	6	69 719 776
69 719 776		Debt to Småkraft AS		
212 742 046		Total long term liabilities		69 719 776
Current liabilities				
6 211 449		Accounts payable		786 793
310 281		Tax payable		
3 807 124		Public duties payable		
24 643 230		Other short term debt		1 728 027
34 972 084		Total short term debt		2 514 820
262 080 262		Total liabilities		72 234 596
785 582 893		Total Equity and Liabilities		592 349 442

The Board in Småkraft Green Bond 1 AS,
Bergen 19.03.2019



Erik Røysem Sterud
Chairman of the Board/
Managing Director



Halle Aslaksen
Board Member

Notes to the unaudited financial statements - Småkraft Green Bond 1 AS- Group

Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Consolidation principles

The consolidated financial statement consists of Småkraft Green Bond 1 AS and companies where Småkraft Green Bond 1 AS has a controlling interest. Controlling interest normally exists when the group owns more than 50 percent of the shares and can exercise actual control. All material transactions and group inter-company balances are eliminated. The consolidated financial statements are prepared in accordance with uniform accounting policies for uniform transactions in all companies included in the consolidated financial statements. The acquisition method is applied in business combinations. Companies acquired or sold during the year are consolidated from the date control is achieved and until control ceases.

Revenues

Revenues from el spot sale are recognised when power is delivered.

The revenue is calculated on the basis of the individual power plant's production, multiplied by the spot price. Småkraft AS receives el-certificates, which is sold on an ongoing basis in accordance with the current market price. Revenues from el-certificates are recognised when received, and are included in the company's energy sale.

Taxes

The tax expense in the income statement comprises taxes payable and changes in deferred tax liabilities/assets. Taxes payable are calculated on the basis of the taxable income for the year. Payable income tax is recognized in the balance sheet under current liabilities.

Deferred tax liabilities/assets are calculated on the basis of temporary differences between the accounting and tax values and the tax effect of losses carried forward. A positive difference means that the company has a future tax liability, resulting in a deferred tax liability in the balance sheet. A negative difference means that the company has a future tax asset, resulting in a deferred tax asset in the balance sheet. Negative and positive temporary differences offset each other if they are reversed within the same period.

A tax rate of 22% is used when calculating deferred tax liabilities/assets in 2018.

Deferred tax assets are recognized in the balance sheet to the extent that it is probable that the assets will be realised.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets.

Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Fixed assets are carried at historical cost. Impairment of fixed and tangible assets is considered when there are indications of a decline in the value.

Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value. Current assets are valued at the lower of historical cost and fair value. Debt is not revalued to fair value due to interest rate changes.

Receivables

Trade receivables and other receivables are recognised at nominal value, less expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

Other receivables, both current assets and fixed assets, are valued at the lower of historical cost and fair value. Fair value is the present value of expected future payments. The discount rate will not be changed if the impact of the change is immaterial. The accrual for losses is assessed the same way as for accounts receivables.

Tangible fixed assets and depreciation

Fixed assets are recognised at historical cost, less accumulated depreciation. Depreciation is calculated on a straight-line basis over assets' expected useful economic lives, and is charged from the time the assets are available for use.

Capitalized costs from own investments are recognised at manufacturing cost. Interest during the period of construction are capitalized. Interest rates are calculated as an average of the company's borrowing costs. Investment projects that are not granted a concession are expensed.

Shares in subsidiaries

Subsidiaries are companies where Småkraft Green Bond 1 AS has controlling interest over financial and operating policies. Controlling interest normally exists when the company owns more than 50 percent of the voting capital.

Estimates

When preparing the consolidated accounts in accordance with the Norwegian Accounting Act, management of the company must exercise judgement and prepare estimates. Areas that requires a high degree of judgement, has a high degree of complexity or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes.

NOTE 1: PAYROLL COSTS, NUMBER OF EMPLOYEES, LOANS TO EMPLOYEES, ETC.

The company does not have any employees

NOTE 2: SHARE CAPITAL AND SHAREHOLDER INFORMATION

The company is 100% owned by Småkraft AS. The share capital consists out of 1000 shares with nominal value 50.000. The company and the Småkraft Green Bond 1 AS is part of the Småkraft- Group. Småkraft AS has business office in Bergen.

NOTE 3: Taxes

	Småkraft Green Bond 1 AS- Group	Småkraft Green Bond 1 AS
The tax expense in the income statement	2018	2018
Income tax payable	151 184	151 184
Change in deferred income tax	-	-
Tax expense in the income statement:	151 184	151 184
Tax payable specification:		
Profit before tax	657 320	657 320
Profit before tax in subsidiaries before the group was established:	13 565 453	
Change in deferred taxes	-2 935 686	-
Companies with losses	4 722 599	
Used deficits in subsidiaries	-5 291 156	
Expenses booked against equity	-18 532	-21 510
Basis tax payable	10 699 998	635 810
Group contribution	9 350 951	635 810
Basis tax payable in the balance sheet	1 349 047	-
Tax payable in the balance sheet	310 281	-
Deferred tax asset (- liability)		
Fixed assets	88 362 834	-
Other differences	22 380	-
Demerger debt	-1 550 129	-
Total temporary differences	86 835 085	-
Losses carried forward	-21 625 304	-
Basis for deferred tax asset	65 209 781	-
Temporary differences not part of the deferred tax asset	-1 581 918	
Basis for deferred tax asset in the balance sheet	63 627 863	
Calculated deferred tax asset	13 998 130	
Not booked tax asset	358 002	
Deferred tax asset (22%)	14 346 152	-
Reconciliation tax expense:		
23 % of profit before tax	151 184	151 184
Tax expense in the P&L	151 184	151 184
Differanse	-	-

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Småkraft Green Bond 1 AS	Powerplants	Total
Costs 1.1.2018		-
Additions	38 357 272	38 357 272
Cost at 31.12.2018	38 357 272	38 357 272
Accumulated depreciations	-	-
Balance at 31.12.2018	38 357 272	38 357 272
Småkraft Green Bond 1 AS- Group		
	Powerplants	Total
Costs 1.1.2018		-
Additions	612 893 037	612 893 037
Cost at 31.12.2018	612 893 037	612 893 037
Accumulated depreciations	-	-
Balance at 31.12.2018	612 893 037	612 893 037

NOTE 5: INTANGIBLE ASSETS

Småkraft Green Bond 1 AS- Group	Goodwill*	Intangible Assets	Total
Costs 1.1.2018			-
Additions	8 081 918	102 347 577	110 429 495
Cost at 31.12.2018	8 081 918	102 347 577	110 429 495
Accumulated depreciations		-	-
Balance at 31.12.2018	8 081 918	102 347 577	110 429 495

*The difference between deferred tax valued at nominal and discounted amounts is recognized as goodwill.

It is recognized when new companies are acquired and arises because deferred tax is valued at nominal amounts whereas discounted amounts are reflected in the purchase amount.

The "interest" goodwill is therefore depreciated over the same time-period as the other immaterial values recognized in the purchase. The economic lifetime is valued equal to the water right period.

NOTE 5: INVESTMENTS

	Business office	Ownership share	Net income (100%)	Booked equity 31.12. (100%)
Investment in subsidiary				
Fiskløgysa Kraftverk AS	Oslo	100 %	-33 111	32 955
Grytendal Kraftverk AS	Oslo	100 %	-344 010	-277 944
Jordalen Kraft AS	Notodden	100 %	2 875 022	28 015 954
Kvemna Kraft AS	Lærdal	66 %	1 550 372	21 828 747
Mela Kraft AS	Bergen	100 %	1 265 250	103 520
Røneid Kraft AS	Notodden	100 %	1 605 362	24 700 000
Saksenvik Kraft AS	Bergen	96 %	2 425 344	22 769 273
Sandneselva Kraftverk AS	Oslo	100 %	266 313	345 469
Tysseelva Kraft AS	Bergen	100 %	791 887	30 000

NOTE 6: INTERCOMPANY**Småkraft Green Bond 1 AS****2018**

Loans to subsidiaries	375 876 168
Short term receivable group companies	5 498 822
Debt to parent company	69 719 776

Småkraft Green Bond 1- Group**2018**

Short term receivable group companies	5 498 822
Debt to parent company	69 719 776

Intercompany interests in the Småkraft Green Bond 1- Group have not been eliminated per 2018, as the group was established late in December 2018. The result from the subsidiaries was not included in the Group accounts, and as such the intercompany interests have not been eliminated.

NOTE 7: EQUITY**Småkraft Green Bond 1 AS:**

	Share capital	Share premium	Not registered capital increase	Retained equity	Total
Establishment	30 000	30 000			60 000
Costs of establishment		16 562			16 562
Capital increase	49 970 000	362 796 388			412 766 388
Capital increase not registered per year end			107 288 458		107 288 458
Net income		-506 136			-506 136
Group contribution		489 574			489 574
Equity 31.12.	50 000 000	362 826 388	107 288 458	-	520 114 846

Småkraft Green Bond 1 AS- Group:

	Share capital	Share premium	Not registered capital increase	Retained equity	Total
Establishment	30 000	30 000			60 000
Costs of establishment					-
Capital increase	49 970 000	362 796 388			412 766 388
Capital increase not registered per year end			107 288 458		107 288 458
Excess value group establishment				1 308 658	1 308 658
Minority ownership establishment				2 079 127	2 079 127
Net income		-506 136			-506 136
Group contribution		506 136			506 136
Equity 31.12.	50 000 000	362 826 388	107 288 458	3 387 785	523 502 631