

Teruko Limited

Abbreviated financial statements

for the year ended 31 December 2013

Registered Number 07447348

MONDAY



L3HFNOEO

L16

29/09/2014

#67

COMPANIES HOUSE

Teruko Limited

Abbreviated financial statements

for the year ended 31 December 2013

Contents

Directors and advisers	1
Independent auditors' report to the members of Teruko Limited under Section 449 of the Companies Act 2006	2
Abbreviated balance sheet as at 31 December 2013.....	3
Statement of accounting policies	4
Notes to the financial statements for the year ended 31 December 2013	6

Teruko Limited

Directors and advisers

Directors

M C Kleibergen (Alternate Director)

T Arthur

P S Latham

Company secretary

N Board

Registered office

4th Floor

20 Old Bailey

London

EC4M 7AN

Independent auditors

PricewaterhouseCoopers LLP

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

Bankers

Coutts & Co

440 Strand

London

WC2R 0QS

Solicitors

SGH Martineau LLP

No.1 Colmore Square

Birmingham

B4 6AA

Teruko Limited

Independent auditors' report to the members of Teruko Limited under Section 449 of the Companies Act 2006

We have examined the abbreviated financial statements set out on pages 3 to 10, together with the financial statements of Teruko Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

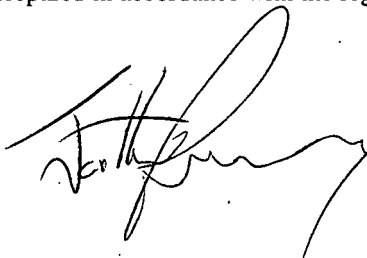
This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
19 September 2014

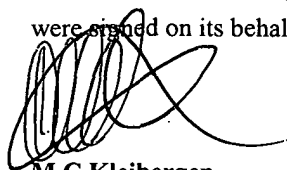
Teruko Power Limited

Abbreviated balance sheet as at 31 December 2013

	Note	2013	2013	2012	2012
		£	£	Restated	Restated
				£	£
Fixed assets					
Intangible assets	1	-		701,346	
Tangible assets	2	7,411		10,106	
Investments	3	701,347		1	
			708,758		711,453
Current assets					
Debtors: amounts falling due within one year	4	7,925		88,720	
Debtors: amounts falling due after more than one year	4	6,739,103		3,769,288	
Cash at bank and in hand		148,068		216,581	
			6,895,096		4,074,589
Creditors: amounts falling due within one year	5		(396,530)		(75,936)
Net current assets			6,498,566		3,998,653
Total assets less current liabilities			7,207,324		4,710,106
Creditors: amounts falling due after more than one year	6		(4,410,274)		(1,950,000)
Provision for other liabilities			(130)		-
Net assets			2,796,920		2,760,106
Capital and reserves					
Called up share capital	7		27,890		27,890
Share premium account			2,641,701		2,641,701
Profit and loss account			127,329		90,515
Total shareholders' funds			2,796,920		2,760,106

The abbreviated financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and SI 2008/409 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 3 to 10 were approved by the board of directors on 19 September 2014 and were signed on its behalf by:



M C Kleibergen

Director

Registered number 07447348

Teruko Limited

Statement of accounting policies

Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Restatement of profit and loss account

The directors have reclassified certain costs from administrative expenses to cost of sales and as such have restated the prior year profit and loss account. This has no impact on the prior period profit, or net assets.

Restatement of balance sheet and related debtors note

The directors have reclassified amounts owed by group undertakings as greater than one year in line with the loan agreement. This has no impact on the profit in the period but does act to reduce net current assets by £3,769,288.

Restatement of balance sheet and related creditors note

The directors have reclassified amounts owed to group undertakings as greater than one year in line with the loan agreement. This has no impact on the profit in the period but does act to decrease net current liabilities by £1,950,000.

Consolidation

In the opinion of the directors, the company and its subsidiary undertaking constitute a small group. The company has therefore taken advantage of the exemption provided by section 398 of the Companies Act 2006 not to prepare group accounts.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Turnover

Turnover comprises income receivable from the electricity generated during the period. Any un-invoiced income is accrued in the period in which it has been generated.

Tangible assets and depreciation

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Other fixed assets - 4% and 10% straight line

Other fixed assets represent the costs of construction of solar plants: solar panels, civil/structural and electrical costs, grid connection, planning and professional fees capitalised and depreciated at 4% per annum on a straight line basis. Costs of transformers, inverters and cabling are being depreciated at 10% per annum on a straight line basis.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducing all of its financial liabilities.

Teruko Limited

Statement of accounting policies (continued)

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. 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 terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Teruko Limited

Notes to the financial statements for the year ended 31 December 2013

1 Intangible assets

	Goodwill
	£
Cost	
At 1 January 2013	715,659
Transfer to investments	(715,659)
At 31 December 2013	-
Accumulated amortisation	
At 1 January 2013	14,313
Transfer to investments	(14,313)
At 31 December 2013	-
Net book value	
At 31 December 2013	-
At 31 December 2012	701,346

It was identified during the year that balances within goodwill relate to fixed asset investments which have been transferred accordingly (note 3).

Teruko Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

2 Tangible assets

	Other fixed assets £
Cost	
At 1 January 2013 and 31 December 2013	12,228
Accumulated Depreciation	
At 1 January 2013	2,122
Charge for the year	2,695
At 31 December 2013	4,817
Net book value	
At 31 December 2013	7,411
At 31 December 2012	10,106

3 Investments

	Subsidiary undertakings £
Cost	
At 1 January 2013	1
Transfer from intangible assets	701,346
At 31 December 2013	701,347
Net book value	
At 31 December 2013	701,347
At 31 December 2012	1

The company owns 100% of the ordinary share capital of Bratton Fleming Limited, a company registered in England and Wales.

It was identified during the year that balances within goodwill relate to fixed asset investments which have been transferred accordingly (note 1).

Teruko Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Debtors

	2013	2012
	£	£
Amounts owed by group undertakings	6,739,103	3,769,288
1,000,010 (2012: : 1,000,010) A ordinary shares of £0.01 each	7,916	88,720
1,789,046 (2012: : 1,789,046) B ordinary shares of £0.01 each	9	-
	6,747,028	3,858,008

Included within other debtors is unpaid share capital of £0.10 (2012: £0.10).

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £6,739,103 (2012: £3,769,288). The loans bear interest at 8% (2012: 8%), and are repayable after more than five years.

5 Creditors: amounts falling due within one year

	2013	2012
	£	Restated £
Trade creditors	17	1,767
Amounts owed to group undertakings	242,119	-
Accruals and deferred income	152,340	-
Other creditors including taxation and social security	2,054	-
	396,530	75,936

Teruko Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

6 Creditors: amounts falling due after more than one year

	2013	2012
		Restated
	£	£
Debenture loans	4,410,274	1,950,000

Included within debenture loans is £4,410,274 (2012: £1,950,000) which is secured by a fixed and floating charge over the assets of the company and is repayable in more than five years.

The company has a deferred tax liability in the year of £130 (2012: £nil).

7 Called up share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
1,000,010 (2012: : 1,000,010) A ordinary shares of £0.01 each	10,000	10,000
1,789,046 (2012: : 1,789,046) B ordinary shares of £0.01 each	17,890	17,890
	27,890	27,890

Teruko Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

8 Related party transactions

During the period ended 31 December 2013, the company was charged £nil (2012: £249,600), £42,679 (2012: £nil) and £36,393 (2012: £2,425) in respect of project development costs, management fees and rechargeable expenses respectively by Lightsource Renewable Energy Limited, a related party due to its significant influence over the entity. At the period end, an amount of £7 (2012: £1,392) was outstanding which is included in trade creditors. Lightsource Renewable Energy Limited is the holder of the deferred shares in issue.

During the period, monitoring fees of £31,111 (2012: £nil) and arrangement fees of £nil (2012: £89,455) were charged by Octopus Investments Limited, a related party due to its significant influence over the entity. Octopus Investments Limited also recharged legal fees totalling £nil (2012: £313) to the company. At the period end, an amount of £nil (2012: £376) was outstanding which is included in trade creditors.

During the period, the company met expenditure of £2,835,938 (2012: £3,104,350) and received revenue of £1,074,150 (2012: £nil) on behalf of its wholly owned subsidiary, Bratton Fleming Limited. The company also charged interest of £421,241 (2012: £162,232) to Bratton Fleming Limited. At 31 December 2013, £6,496,984 (2012: £3,769,288) was outstanding of which £6,739,103 (2012: £3,769,288) is included in debtors and £242,119 (2012: £nil) is included in creditors.

P S Latham is a director of Fern Trading Limited. During the period, a loan totalling £2,250,700 (2012: £1,950,000) was received from Fern Trading Limited. Interest of £312,635 (2012: £48,119) has been charged to the company during the period. The loan amount owing to Fern Trading Limited at the end of the period was £4,410,274 (2012: £1,950,000).

8 Ultimate parent undertaking and controlling party

The directors do not consider the company to have an ultimate controlling party or parent company, by virtue of a split holding in its shares. The results of the company are not consolidated within any other company.