

Registered number: 07605959

## **Ffos Las Solar Developments Limited**

**Directors' report and financial statements**

**for the period ended 30 April 2016**



# **Ffos Las Solar Developments Limited**

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## **Ffos Las Solar Developments Limited**

### **Company information**

<b>Directors</b>	P McCartie (appointed 21 May 2015) W J Cooper (appointed 5 October 2016)
<b>Registered number</b>	07605959
<b>Registered office</b>	7th Floor 33 Holborn London EC1N 2HU
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
<b>Bankers</b>	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB

## **Ffos Las Solar Developments Limited**

### **Directors' report for the period ended 30 April 2016**

The directors present their report and the audited financial statements of the company for the period ended 30 April 2016.

### **Principal activities**

The company is a wholly owned subsidiary of a group of companies of which the principal activities are that of construction and operation of solar plants and the generation of solar power.

### **Going concern**

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

### **Directors**

The directors who served during the period and up to the date of signing the financial statements were:

P McCartie

W J Cooper (appointed 5 October 2016)

OCS Services Limited (appointed 7 April 2015 and resigned 21 May 2015)

C R Hulatt (resigned 7 April 2015)

T Arthur (resigned 5 October 2016)

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' report 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

## **Ffos Las Solar Developments Limited**

### **Directors' report for the period ended 30 April 2016 Statement of disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

### **Small companies' exemption**

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28 October 2016 and signed on its behalf.



**W J Cooper**  
Director

## **Ffos Las Solar Developments Limited**

### **Independent auditors' report to the members of Ffos Las Solar Developments Limited**

#### **Report on the financial statements**

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##### **Our opinion**

In our opinion, Ffos Las Solar Developments Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

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##### **What we have audited**

The financial statements, included within the Directors' report and financial statements (the "Annual report"), comprise:

- the Balance sheet as at 30 April 2016;
- the Profit and loss account for the period ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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##### **Opinions on matters prescribed by the Companies Act 2006**

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In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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##### **Other matters on which we are required to report by exception**

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###### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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###### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

**Independent auditors' report to the members of Ffos Las Solar Developments Limited**

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare the financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Directors' report; and take advantage of the small companies' exemption from preparing a Strategic report. We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland) "). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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**What an audit of financial statements involves**

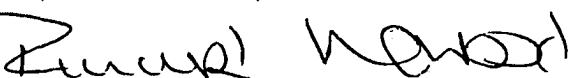
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Richard Lingwood (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne

28 October 2016

# Ffos Las Solar Developments Limited

## Profit and loss account for the period ended 30 April 2016

	Note	Period ended 30 April 2016 £	Year ended 31 December 2014 £
<b>Turnover</b>		<b>931,452</b>	696,738
Cost of sales		<u>(654,004)</u>	<u>(510,537)</u>
<b>Gross profit</b>		<b>277,448</b>	186,201
Administrative expenses		(73,067)	(76,861)
Other operating (expense)/income	2	<u>(7,614)</u>	<u>16,834</u>
<b>Operating profit</b>	3	<b>196,767</b>	126,174
Interest payable and similar charges		<u>(750,561)</u>	<u>(663,958)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(553,794)</b>	(537,784)
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial period/year</b>	10	<u><b>(553,794)</b></u>	<u>(537,784)</u>

All amounts above relate to continuing operations.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial period/year stated above and their historical cost equivalents.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 13 form part of these financial statements.



**Ffos Las Solar Developments Limited**  
**Registered number: 07605959**

**Balance sheet**  
**as at 30 April 2016**

			<b>30 April 2016</b>	<b>31 December 2014</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>				
Tangible assets	5		<b>5,776,369</b>	6,254,912
<b>Current assets</b>				
Debtors	6	<b>726,284</b>		301,169
Cash at bank and in hand		-		167
		<b>726,284</b>		<b>301,336</b>
<b>Creditors: amounts falling due within one year</b>	7	<b>(589,888)</b>		<b>(109,035)</b>
<b>Net current assets</b>			<b>136,396</b>	<b>192,301</b>
<b>Total assets less current liabilities</b>			<b>5,912,765</b>	<b>6,447,213</b>
<b>Creditors: amounts falling due after more than one year</b>	8	<b>(8,180,815)</b>		<b>(8,161,469)</b>
<b>Net liabilities</b>			<b>(2,268,050)</b>	<b>(1,714,256)</b>
<b>Capital and reserves</b>				
Called up share capital	9		<b>1,000</b>	1,000
Profit and loss account	10		<b>(2,269,050)</b>	<b>(1,715,256)</b>
<b>Total shareholders' deficit</b>	11		<b>(2,268,050)</b>	<b>(1,714,256)</b>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 October 2016.

**W J Cooper**  
 Director

The notes on pages 8 to 13 form part of these financial statements.

## **Ffos Las Solar Developments Limited**

### **Notes to the financial statements for the period ended 30 April 2016**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### **1.2 Going concern**

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

##### **1.3 Turnover**

Turnover comprises income receivable from the energy generated during the period. Any uninvoiced income is accrued in the period in which it has been generated.

##### **1.4 Tangible assets and depreciation**

Plant and machinery represents the cost of construction of solar plants: solar panels, civil/structural and electrical costs, grid connection, cabling, planning, professional fees and transformers are capitalised and depreciated at 4% per annum on a straight line basis. Cost of inverters are being depreciated at 10% per annum on a straight line basis.

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

Long-term leasehold property	-	4% straight line
Plant and machinery	-	4% and 10% straight line

##### **1.5 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

##### **1.6 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

## Ffos Las Solar Developments Limited

### Notes to the financial statements for the period ended 30 April 2016

#### 1. Accounting policies (continued)

##### 1.7 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 deducting all of its financial liabilities.

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.

##### 1.8 Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

#### 2. Other operating (expense)/income

	Period ended 30 April 2016 £	Year ended 31 December 2014 £
Other operating income	-	16,834
Loss on sale	(7,614)	-
	<u>(7,614)</u>	<u>16,834</u>

#### 3. Operating profit

The operating profit is stated after charging:

	Period ended 30 April 2016 £	Year ended 31 December 2014 £
Depreciation of tangible fixed assets:		
- owned by the company	487,813	359,590
Auditors' remuneration	1,855	1,800
Auditors' remuneration - accounts preparation	605	585
Auditors' remuneration - taxation compliance services	695	675
Operating lease charge	33,945	24,511
	<u>524,913</u>	<u>746,161</u>

During the period/year, no director received any emoluments (2014 - £nil).

# Ffos Las Solar Developments Limited

## Notes to the financial statements for the period ended 30 April 2016

### 4. Tax on loss on ordinary activities

	Period ended 30 April 2016 £	Year ended 31 December 2014 £
UK corporation tax charge on loss for the period/year	-	-

The company has no tax liability for the period/year and there are tax losses of approximately £945,923 (2014 - £219,580) available to carry forward. The company has not recognised a deferred tax asset in respect of losses available to carry forward due to there being insufficient certainty regarding its recovery.

### 5. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2015	26,776	7,048,276	7,075,052
Additions	9,270	-	9,270
At 30 April 2016	36,046	7,048,276	7,084,322
<b>Accumulated depreciation</b>			
At 1 January 2015	2,330	817,810	820,140
Charge for the period	1,777	486,036	487,813
At 30 April 2016	4,107	1,303,846	1,307,953
<b>Net book value</b>			
At 30 April 2016	31,939	5,744,430	5,776,369
At 31 December 2014	24,446	6,230,466	6,254,912

### 6. Debtors

	30 April 2016 £	31 December 2014 £
Trade debtors	-	10,683
Amounts owed by group undertakings	503,872	215,980
Prepayments and accrued income	222,412	74,506
	726,284	301,169

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

# **Ffos Las Solar Developments Limited**

## **Notes to the financial statements for the period ended 30 April 2016**

### **7. Creditors: Amounts falling due within one year**

	<b>30 April 2016 £</b>	<b>31 December 2014 £</b>
Bank loans and overdrafts	<b>472</b>	-
Trade creditors	<b>19,424</b>	44,389
Amounts owed to group undertakings	<b>3,254</b>	-
Accruals and deferred income	<b>563,655</b>	49,232
Other creditors including taxation and social security	<b>3,083</b>	15,414
	<b>589,888</b>	<b>109,035</b>

Included within bank loans and overdrafts is £472 (2014 - £nil) which is secured by a fixed and floating charge over the assets of the company.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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

	<b>30 April 2016 £</b>	<b>31 December 2014 £</b>
Amounts owed to group undertakings	<b>8,140,071</b>	8,161,469
Other creditors	<b>40,744</b>	-
	<b>8,180,815</b>	<b>8,161,469</b>

Included within amounts owed to group undertakings are unsecured loans with year end balances totalling £8,140,071 (2014 - £8,161,469). The loans bear interest at 8% (2014 - 8%) and are repayable after more than five years.

### **9. Called up share capital**

	<b>30 April 2016 £</b>	<b>31 December 2014 £</b>
<b>Allotted and fully paid</b>		
Nil (2014 - 20) Deferred shares of £0.01 each	-	-
100,020 (2014 - 100,000) Ordinary shares of £0.01 each	<b>1,000</b>	1,000
	<b>1,000</b>	<b>1,000</b>

## Ffos Las Solar Developments Limited

### Notes to the financial statements for the period ended 30 April 2016

#### 10. Profit and loss account

	£
At 1 January 2015	(1,715,256)
Loss for the financial period	(553,794)
	<hr/>
At 30 April 2016	(2,269,050)
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#### 11. Reconciliation of movements in shareholders' deficit

	30 April 2016 £	31 December 2014 £
Opening shareholders' deficit	(1,714,256)	(1,176,472)
Loss for the financial period/year	(553,794)	(537,784)
	<hr/>	<hr/>
Closing shareholders' deficit	(2,268,050)	(1,714,256)
	<hr/>	<hr/>

#### 12. Contingent liabilities

The company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. The directors believe that given the nature of the assets, the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets and as such the directors do not believe that an outflow is probable to settle this restoration obligation. The directors will continue to monitor this situation at each balance sheet date.

#### 13. Related party transactions

During the period ended 30 April 2016, the company was charged £37,770 (2014 - £21,689) and £8,647 (2014 - £151) in respect of management fees and rechargeable expenses respectively by Lightsource Renewable Energy Holdings Limited, a related party due to its significant influence over the entity. At the period/year end, no amount was outstanding (2014 - £nil).

During the period/year, monitoring fees of £21,871 (2014 - £nil) 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 £78 (2014 - £nil) and expenses totalling £78 (2014 - £nil) to the company. At the period/year end, no amount was outstanding (2014 - £nil).

During the period/year, the company's former parent company, Grian Power Limited met expenditure of £107,273 (2014 - £262,122) and received revenue of £nil (2014 - £1,078,512) on behalf of the company. The company was also charged interest of £214,658 (2014 - £663,774) by Grian Power Limited. At 30 April 2016, £nil (2014 - £7,945,489) was outstanding of which £nil (2014 - £215,980) is included within debtors and £nil (2014 - £8,161,469) is included within creditors.

During the period/year, the company's parent company, Lightsource Radiate 2 Limited charged interest of £535,443 (2014 - £nil) to the company. At 30 April 2016, £7,639,453 (2014 - £nil) was outstanding of which £503,872 (2014 - £nil) is included within debtors and £8,143,325 (2014 - £nil) is included within creditors.

## **Ffos Las Solar Developments Limited**

### **Notes to the financial statements for the period ended 30 April 2016**

#### **14. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Lightsource Radiate 2 Limited.

The ultimate parent company at 30 April 2016 was Lightsource Renewable Energy Investments Limited, a company incorporated in the UK. Lightsource Renewable Energy Holdings Limited, a company incorporated in the UK, is the largest group of undertakings to consolidate these financial statements.