Borelly Energy Limited

Abbreviated financial statements

for the year ended 31 December 2013

Registered Number 07817978

Borelly Energy Limited

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Contents

Borelly Energy Limited

Directors and advisers

Directors
M Turner
P S Latham (Alternate Director)
M C Kleibergen

Company secretary
N Board

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London
EC4M 7AN

Independent advisers
PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Bankers
Coutts & Co
440 Strand
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WC2R 0QS

Solicitors
SGH Martineau LLP
No.1 Colmore Square
Birmingham
B4 6AA

Borelly Energy Limited

Abbreviated balance sheet as at 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	1	**31,497**		262,618	
Investments	2	**-**		-	
			31,497		262,618
Current assets					
Debtors: amounts falling due within one year	3	**39,305**		34,344	
Debtors: amounts falling due after more than one year	3	**4,876,382**		-	
Cash at bank and in hand		**56,093**		1,445,526	
			4,971,780		1,479,870
Creditors: amounts falling due within one year	4		**(454,869)**		(1,196)
Net current assets			**4,516,911**		1,478,674
Total assets less current liabilities			**4,548,408**		1,741,292
Creditors: amounts falling due after more than one year	5		**(2,876,182)**		-
Net assets			**1,672,226**		1,741,292
Capital and reserves					
Called up share capital	6		**19,412**		19,412
Share premium account			**1,824,748**		1,824,748
Profit and loss account			**(171,934)**		(102,868)
Total shareholders' funds			**1,672,226**		1,741,292

The directors have taken advantage of the exemption conferred by section 444(3) of the Companies Act 2006 as entitling them to deliver abbreviated financial statements on the grounds that the company is small. 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 in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps adequate accounting records which comply with section 386 of the Act and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act in relation to financial statements, so far as applicable to the company.

The financial statements on pages 2 to 8 were approved by the board of directors on 26 September 2014 and were signed on its behalf by:

M C Kleibergen
Director
Registered number 07817978

Borelly Energy 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 period, are set out below.

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.

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 loss, or net assets.

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 financial statements.

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

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:

Plant and machinery - 4% and 10% straight line

Plant and machinery represents 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.

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.

Statement of accounting policies (continued)

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.

Borelly Energy Limited

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

1 Tangible assets

	Plant and machinery
	£
Cost	
At 1 January 2013	331,734
Disposals	(293,881)
At 31 December 2013	**37,853**
Accumulated depreciation	
At 1 January 2013	69,116
Charge for the year	5,202
Disposals	(67,962)
At 31 December 2013	**6,356**
Net book value	
At 31 December 2013	**31,497**
At 31 December 2012	262,618

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

2 Investments

	Trade investment
	£
Cost or valuation	
At 1 January 2013	-
Additions	-
At 31 December 2013	-
Net book value	
At 31 December 2013	-
At 31 December 2012	-

The company owns 100% of the ordinary share capital of £0.20 (2012: £nil) of Lightsource SPV 16 Limited, a company incorporated in England and Wales.

3 Debtors

	2013	2012
	£	£
Amounts owed by group undertakings	**4,876,382**	-
Trade debtors	-	17,442
VAT recoverable	**39,226**	16,823
Other debtors	-	-
Prepayments and accrued income	**79**	79
	4,915,687	34,344

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £4,876,382 (2012: £nil). The loans bear interest at 8% (2012: 8%) and are repayable after more than five years.

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

4 Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	**21,414**	244
Amounts owed to group undertakings	**241,777**	-
Accruals and deferred income	**191,678**	952
	454,869	1,196

5 Creditors: amounts falling due after one year

	2013	2012
	£	£
Debenture loans	**2,876,182**	-

Included within debenture loans is an amount of £2,876,182 (2012: £nil) which is secured by a fixed and floating charge over the assets of the company.

6 Called up share capital

	Year ended 31 December 2013	Period ended 31 December 2012
	£	£
Allotted, called up and fully paid		
1,941,221 (2012: 1,941,221) ordinary shares of £0.10 each	**19,412**	19,412

7 Related party transactions

During the year the company was charged £459,840 (2012: £20,000) and £114,726 (2012: £50,906) in respect of project management fees and rechargeable expenses respectively by Lightsource Renewable Energy Limited, a related party due to its significant influence over the entity. At the year end, an amount of £15 (2012: £17,442 included within trade debtors) was outstanding and included within creditors.

In the year ended 31 December 2013, arrangement fees of £nil (2012: £97,061) and legal fees of £nil (2012: £3,204) were recharged by Octopus Investments Limited, a related party due to its significant influence over the entity. At the year end, an amount of £nil (2012: £244) was outstanding and included within trade creditors.

During the year, the company met expenditure of £4,478,565 (2012: £nil) on behalf of its wholly owned subsidiary, Lightsource SPV 16 Limited. The company also charged interest of £156,040 (2012: £nil) to Lightsource SPV 16 Limited. At 31 December 2013, £4,634,605 (2012: £nil) was outstanding of which £4,876,382 (2012: £nil) is included in debtors and £241,777 (2012: £nil) is included in creditors.

P S Latham is a director of a designated member of Terido LLP. During the year, a loan totalling £2,876,182 (2012: £nil) was received from Terido LLP. Interest of £95,259 (2012: £nil) has been charged to the company during the year. The loan amount owing to Terido LLP at the end of the year was £2,971,441(2012: £nil).

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.