

Islip Solar Park (Holdings) Limited

Directors' report and financial statements

Registered number 07853079

For the year ended 31 December 2015



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Directors' Report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the company during the year was that of an investment company, whose business is the holding of an investment in its wholly owned subsidiary, Islip Solar Park Limited.

The subsidiary's principal activity during the year was the operation of a solar park for the supply of electricity.

Review of the business and future developments

The results of the company are shown on page 6.

Principal risks

The principal risk currently facing the company is:

i. Cash flow

The cash flow of the company is contingent on the performance of Islip Solar Park Limited.

The future of the company is expected to continue being that of a holding company, whose business is the holding of an investment in the Islip solar park through its wholly owned subsidiary.

The impact of the EU referendum result resulting in the UK voting to leave the EU is likely to lead to many months of uncertainty as the political and legal issues are worked out. The directors do not believe that it will have a material impact on the business but will monitor events closely.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

A L Roshier

M Turnbull-Fox – resigned 13 September 2016

C M Oxby – appointed 4 March 2016

C W G Herriott – appointed 13 September 2016

During the year an indemnity provision was in force for one or more of the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Dividends

An interim dividend of £540,000 at £108 per ordinary share was paid during the year (2014: £nil). The directors do not recommend the payment of a final dividend (2014: £nil).

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:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) that director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report *(continued)*

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board



C M Oxby
Director

2 Hunting Gate
Hitchin
Hertfordshire
SG4 0TJ

28 September 2016

Directors' Responsibilities Statement

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, Section 1A (FRS 102) applicable to Smaller Entities.

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 year. 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;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

Independent auditor's report to the members of Islip Solar Park (Holdings) Limited

Report on the financial statements

Our opinion

In our opinion, Islip Solar Park (Holdings) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

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

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice).

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

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.

Independent auditor's report to the members of Islip Solar Park (Holdings) Limited (continued)

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 are not made. We have no exceptions to report arising from this responsibility.

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 take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 and 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.

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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Simon Evans

Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
29 September 2016

Profit and loss account

For the year ended 31 December 2015

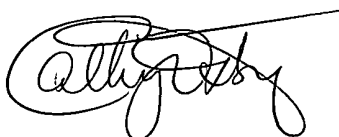
	<i>Note</i>	2015 £	2014 £
Income from shares in group undertakings		540,000	-
Interest receivable and similar income	7	277,271	279,284
Interest payable and similar charges	8	(277,271)	(279,284)
		<hr/>	<hr/>
Profit / result on ordinary activities before taxation	4	540,000	-
Tax on profit / result on ordinary activities	9	-	-
		<hr/>	<hr/>
Profit / result for the financial year		540,000	-
		<hr/> <hr/>	<hr/> <hr/>

Balance sheet

As at 31 December 2015

	Note	31 December 2015 £	31 December 2014 £
Fixed assets			
Investments	10	5,000	5,000
Current assets			
Debtors (including £3,036,686 (2014: £3,083,960) due after one year)	11	3,223,531	3,233,016
Creditors: amounts falling due within one year	12	(186,845)	(149,056)
Net current assets		3,036,686	3,083,960
Total assets less current liabilities		3,041,686	3,088,960
Creditors: amounts falling due after more than one year	13	(3,036,686)	(3,083,960)
Net assets		5,000	5,000
Capital and reserves			
Called up share capital	14	5,000	5,000
Profit and loss account		-	-
Total equity		5,000	5,000

These financial statements on pages 6 to 16 were approved by the board of directors on 28 September 2016 and were signed on its behalf by:



C M Oxbby
 Director

Statement of changes in equity
For the year ended 31 December 2015

	<i>Note</i>	Called-up share capital £	Profit and loss account £	Total equity £
Balance as at 1 January 2014		5,000	-	5,000
Profit for the financial year		-	-	-
Total comprehensive income for the year		-	-	-
Dividends		-	-	-
Total transactions with owners recognised directly in equity		-	-	-
Balance as at 31 December 2014		5,000	-	5,000
Balance as at 1 January 2015		5,000	-	5,000
Profit for the financial year		-	540,000	540,000
Total comprehensive income for the year		-	540,000	540,000
Dividends	17	-	(540,000)	(540,000)
Total transactions with owners recognised directly in equity		-	(540,000)	(540,000)
Balance as at 31 December 2015		5,000	-	5,000

Notes to the financial statements *(Forming part of the financial statements)*

1 General information

The company is a private company limited by shares and is incorporated in England. The principal activity of the company during the year was that of an investment company, whose business is the holding of an investment in its wholly owned subsidiary, Islip Solar Park Limited. The address of the company's registered office and principal place of business is 2 Hunting Gate, Hitchin, Hertfordshire, SG4 0TJ.

2 Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The company has elected to apply early the small entities regime set out in section 1A of FRS 102.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 15.

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

The preparation of financial statements in conformity with FRS 102 required the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the company's accounting policies.

Going concern

The directors have considered the assets and liabilities of the company and are of the opinion that the company will continue to meet its liabilities as they fall due.

Group financial statements

Under the small companies' regime, Section 381 of the Companies Act 2006, the Company is exempt from the requirement to prepare group financial statements.

Accordingly, the results presented in these financial statements present information about the company as an individual undertaking and not as a group.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement on the grounds that it qualifies for the small companies regime afforded under Sections 380-384 of the Companies Act 2006 and has applied Section 1A of FRS 102.

Foreign currency

The company's functional and presentation currency is the pound sterling.

Interest receivable/payable

Interest receivable or payable is recognised in the profit or loss in the period in which they are earned or incurred.

Notes to the financial statements *(continued)*

3 Summary of significant accounting policies *(continued)*

Investments

Fixed asset investments are shown at cost, less any provision for impairment. A provision for permanent diminutions in value is made if material. Income is included in the financial statements for the year in which it is receivable.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. When a review for impairment is conducted the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit, or disposal value if higher. If an asset is impaired, a provision is made to reduce the carrying amount to its estimated recoverable amount.

Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand, less any overdrafts payable on demand.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the financial statements *(continued)*

3 Summary of significant accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rates of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and shareholder loan are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest.

4 Analysis of profit / result on ordinary activities before taxation

All profit / result on ordinary activities before taxation is derived from the principal activity in the United Kingdom.

Notes to the financial statements *(continued)*

5 Operating profit / result

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
<i>Operating profit / result is stated after charging:</i>		

Auditors' remuneration:

Statutory audit of financial statements	-	-
Non-audit fees – other accounting services	-	-
	<u> </u>	<u> </u>

Auditors' remuneration of £1,000 (2014: £1,000) is borne by the subsidiary undertaking, Islip Solar Park Limited.

6 Staff costs

There were no (2014: no) employees during the year. The directors have no contract of service with the company and therefore there is no directors' remuneration (2014: no).

7 Interest receivable and similar income

	Year ended 31 December 2015 £	Year ended 31 December 2014
Interest receivable and similar income – shareholder loans	277,271	279,284
	<u>277,271</u>	<u>279,284</u>

8 Interest payable and similar charges

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Interest payable and similar charges – subordinated loans	277,271	279,284
	<u>277,271</u>	<u>279,284</u>

Notes to the financial statements *(continued)*

9 Tax on profit / result on ordinary activities

Tax charge included in profit and loss account

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
UK corporation tax		
Current tax on profit / result for the year	-	-
Deferred taxation		
Timing differences, origination and reversal	-	-
Tax on profit / result on ordinary activities	-	-

Reconciliation of tax charge

The tax assessed for the year is equal (2014: equal) to the rate of corporation tax in the UK of 20.0% (2014: 20.0%), as shown below.

Further reductions were substantively enacted as part of the Finance Bill 2014 on 2 July 2014. These reduce the main rate to 21% from 1 April 2015 and to 20% from 1 April 2016. The deferred tax assets and liabilities reflect these rates.

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Tax reconciliation		
Profit / result on ordinary activities before taxation	540,000	-
Current tax at 20.0% (2014: 20.0%)	108,000	-
Effects of:		
Income not chargeable for tax purposes	(108,000)	-
Unrecognised deferred tax	-	-
Total tax charge (see above)	-	-

Notes to the financial statements *(continued)*

10 Investments

	Group undertakings £
<i>Cost and net book value</i>	
As at 31 December 2015 and 31 December 2014	5,000

The company owns 100% of the issued share capital of its subsidiary undertaking, Islip Solar Park Limited, a company incorporated in England and Wales.

The subsidiary undertaking had net liabilities of £238,549 at 31 December 2015 *(2014: net liabilities of £140,299)* and a profit for the year then ended 31 December 2015 of £372,897 *(2014: profit for the year then ended of £315,593)*.

11 Debtors

	31 December 2015 £	31 December 2014 £
<i>Amounts owed by group undertakings</i>		
Amounts falling due within one year	186,845	149,056
Amounts falling due after more than one year	3,036,686	3,083,960
	3,223,531	3,233,016

The shareholder loan to its subsidiary undertaking, Islip Solar Park Limited, was made on 11 December 2011 and bears interest at 9% per annum. It is repayable on the final maturity date in 7 years and 1 month from the date of the loan agreement.

Notes to the financial statements *(continued)*

12 Creditors: amounts falling due within one year

	31 December 2015 £	31 December 2014 £
Amounts owed to group undertakings	186,845	149,056

13 Creditors: amounts falling due after more than one year

	31 December 2015 £	31 December 2014 £
Amounts owed to group undertakings	3,036,686	3,083,960

Amounts owed to group undertakings relates to a subordinated loan entered into on 11 December 2011 and bearing interest at 9% per annum. The original loan was for £3,170,170 and has a final maturity date in 7 years and 1 month from the date of the subordinated loan agreement. The holder of this loan agreement changed from Stepnell Limited to DIF Infra 3 UK Partnership on 27 June 2013.

Other loans are repayable as follows:

	31 December 2015 £	31 December 2014 £
Within one year	186,845	149,056
In the second to fifth years	3,036,686	230,318
Over five years	-	2,853,642
	<u>3,223,531</u>	<u>3,233,016</u>

Notes to the financial statements *(continued)*

14 Called up share capital

	31 December 2015 £	31 December 2014 £
<i>Allotted, called up and fully paid</i>		
5,000 (2014: 5,000) Ordinary shares of £1 each,	5,000	5,000

15 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP as previously reported were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. We have not set out changes in accounting policies which reconcile the result for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102 as no changes were identified.

16 Related party transactions

Related party transactions in relation to the shareholder and subordinated loan are disclosed in the preceding notes.

17 Dividends

An interim dividend of £540,000 at £108 per ordinary share was paid during the year (2014: £nil). The directors do not recommend the payment of a final dividend (2014: £nil).

18 Ultimate controlling parties

The Company's immediate parent undertaking is DIF Infra 3 UK Limited, a company registered in England and Wales.

The ultimate controlling party is DIF Infrastructure III BV, an entity incorporated in the Netherlands.