

FCP SOLAR LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

Company Registration Number: 08396602 (England and Wales)

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REPORT AND FINANCIAL STATEMENTS

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THE COMPANY AND ITS ADVISERS

Directors	S Speight J Axtell R Castiglioni K Petherick A Palmer L Palmer
Company Secretary	S J Cruickshank
Registered Office	15 Golden Square London W1F 9JG
Company Number	08396602 (England and Wales)
Auditor	Shipleys LLP Chartered Accountants and Statutory Auditor 10 Orange Street Haymarket London WC2H 7DQ
Bankers	Barclays Wealth 38 Hans Crescent London SW1X 0LZ

DIRECTORS' REPORT
30 SEPTEMBER 2014

The directors present the Report and Financial Statements of FCP Solar Ltd (the 'Company') for the period from 1 January 2014 to 30 September 2014.

Principal activities

The principal activity of the Company is the generation of electricity from renewable energy sources which is achieved through the construction and operation of photo-voltaic installations in the UK. The Company commenced trade on 26 March 2014. On 27 June 2014 the Company was acquired by Ingenious Clean Energy (Solar Midco) Limited.

Review of the period

The results for the period are set out on page 6.

The directors consider the Company's performance during the period to be in line with expectations, and will continue to monitor the trading activities undertaken by the Company. The directors are confident that the Company will generate profits in future years.

Future prospects

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Report and Financial Statements.

Directors

The directors who served during the period and subsequently were as follows:

	Resignation date	Appointment date
S Speight		27 June 2014
J Axtell		27 June 2014
R Castiglioni		27 June 2014
J Milne	7 October 2014	27 June 2014
F Danielzik	27 June 2014	20 December 2013
K Aspinall	27 June 2014	15 November 2013
O Breidt	27 June 2014	15 November 2013
K Petherick		
A Palmer		
L Palmer		

DIRECTORS' REPORT (CONTINUED)
30 SEPTEMBER 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare 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 the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed; 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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

Shipleys LLP were appointed auditors in the period and in the absence of a notice proposing that the appointment be terminated, Shipleys LLP, will be deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

Small companies exemptions

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The Company has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a strategic report in accordance with section 414B of the Companies Act 2006.

This report was approved and signed on behalf of the board of directors on 23/10/2014 by:



S J Cruickshank
 Company Secretary

Registered office
 15 Golden Square
 London
 W1F 9JG

Company Registration Number 08396602 (England and Wales)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FCP SOLAR LIMITED

We have audited the financial statements of FCP Solar Ltd for the period ended 30 September 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 director; and the overall presentation of the financial statements. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

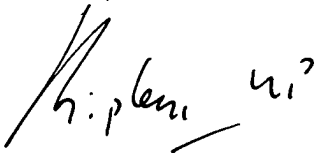
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FCP SOLAR LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report.



Stephen Joberns

for and on behalf of Shipleys LLP (Chartered Accountants and Statutory Auditor)
10 Orange Street, Haymarket, London, WC2H 7DQ

Date: 23/10/14

PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

FCP SOLAR LTD

		Period from 1 January 2014 to 30 September 2014	Period from 11 February 2013 to 31 December 2013
	Notes	£	£
Turnover		1,813,452	-
Cost of sales		<u>(168,173)</u>	<u>-</u>
Gross profit/(loss)		1,645,279	-
Administrative expenses		<u>(605,008)</u>	<u>(23,873)</u>
Operating profit/ (loss)	2	1,040,271	(23,873)
Interest receivable and similar income	3	255	-
Interest payable and similar expense	4	<u>(650,343)</u>	<u>(7,823)</u>
Profit/ (loss) on ordinary activities before taxation		390,183	(31,696)
Taxation	6	<u>(108,167)</u>	<u>-</u>
Profit/(loss) for the financial period		282,016	(31,696)

All of the Company's activities relate to continuing operations during the period.

There are no recognised gains and losses other than those shown above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

The notes on pages 8 to 14 form an integral part of the financial statements.

BALANCE SHEET
AS AT 30 SEPTEMBER 2014

	Notes	30 September 2014 £	31 December 2013 £
Fixed assets			
Tangible assets	7	26,818,487	650,000
Current assets			
Debtors	8	6,213,902	-
Cash at bank		50,002	776
		<u>6,263,904</u>	<u>776</u>
Creditors: amounts falling due within one year	9	(31,986,795)	(681,139)
Net current liabilities		<u>(25,722,891)</u>	<u>(680,363)</u>
Total assets/(liabilities)		<u>1,095,596</u>	<u>(30,363)</u>
Creditors: amounts falling due after more than one year	10	(843,943)	-
Net assets/(liabilities)		<u>251,653</u>	<u>(30,363)</u>
Capital and reserves			
Called up share capital & share premium	12	1,333	1,333
Profit and Loss Account	13	<u>250,320</u>	<u>(31,696)</u>
Shareholders' funds	14	<u>251,653</u>	<u>(30,363)</u>

The notes on pages 8 to 14 form an integral part of the financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 23/10/14 and are signed on their behalf by:



S Speight
 Director

Company Registration Number: 08396602 (England and Wales)

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2014**1. Accounting policies****Basis of accounting**

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. The significant accounting policies adopted are summarised below. These policies have been consistently applied in the period.

Consolidation

The Company and Ingenious Clean Energy (Solar Midco) Limited (the 'Parent') comprise a small group. The Parent has therefore taken advantage of the exemption provided by s398 of the Companies Act 2006 not to prepare group accounts.

Turnover

Turnover derives from one class of business, the generation and sale of renewable electricity, and is stated net of Value Added Tax. Turnover is derived from activities in the United Kingdom. Turnover is recognised at the fair value of the right to consideration and is not recognised until there is certainty over the right to consideration. Turnover which has been recognised but not invoiced by the Balance Sheet date is included within accrued income.

Cash flow

The Report and Financial Statements do not include a Cash Flow Statement because the Company is entitled to the small companies exemption and is therefore exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2014

Fixed assets and depreciation

Assets in the course of construction are stated at cost and are recognised only when it is probable that the asset under development will be constructed, based on a management judgement of when the project meets key criteria required for successful development, including grid access or the completion of commercial heads of terms.

Assets under the course of construction are not depreciated until the development project to which the costs relate has been fully completed and have achieved commercial operation.

Depreciation is charged to write off the cost or valuation of assets, other than assets in the course of construction and freehold land, over their estimated useful lives, using the straightline method, on the following basis;

- Operational solar sites; up to 25 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Financial instruments

The Company's principal financial instruments are its cash at bank. The main purpose of the cash at bank is to provide funding for the Company's operations and to ensure the Company can meet its liabilities as they fall due. Due to the nature of the financial instruments used by the Company, there is no exposure to price risk. The Company makes use of money market facilities when appropriate.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2014

2. Operating profit/(loss)

	Period from 1 January 2014 to 30 September 2014	Period from 11 February 2013 to 31 December 2013
	£	£
The operating profit/(loss) is stated after charging:		
Audit fees	(7,500)	(2,800)

3. Interest receivable and similar income

	Period from 1 January 2014 to 30 September 2014	Period from 11 February 2013 to 31 December 2013
	£	£
Bank interest	255	-

4. Interest payable

	Period from 1 January 2014 to 30 September 2014	Period from 11 February 2013 to 31 December 2013
	£	£
Interest payable on loan facility	(650,343)	(7,823)

5. Directors and employees

The Company did not have any employees during the period. No directors received emoluments for their services.

6. Taxation

	Period from 1 January 2014 to 30 September 2014	Period from 11 February 2013 to 31 December 2013
	£	£
UK Corporation tax	-	-
Adjustments in respect of prior years	-	-
Current tax charge for the period	-	-
Deferred tax charge for the period	108,167	-
Total tax charge for the period	108,167	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2014

6. Taxation (continued)

	£	£
Factors affecting the tax charge for the period:		
Profit/(Loss) on ordinary activities before taxation	<u>390,183</u>	<u>(31,696)</u>
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% for the period from 1 January 2014 to 31 March 2014 and 21% for the period from 1 April 2014 to 30 September 2014.	82,186	-
Effects of:		
Tax losses not utilised	3,362	-
Expenses not deductible for tax purposes	28,371	-
Timing differences in relation to capital allowances	<u>(113,919)</u>	<u>-</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

A potential deferred tax asset of £26,938 in respect of trade losses carried forward has not been recognised due to uncertainty over the availability of taxable profits in future chargeable accounting periods.

Deferred tax

Balance at 1 January 2014	-	-
Deferred tax charge in profit and loss account	<u>108,167</u>	<u>-</u>
Deferred tax charge for the period	<u>108,167</u>	<u>-</u>

7. Tangible fixed assets

	Operating assets £
Cost	
At 1 January 2014	650,000
Additions	26,735,709
Disposals	-
At 30 September 2014	<u>27,385,709</u>
Depreciation	
At 1 January 2014	-
Depreciation charge	(567,222)
Disposals	-
At 30 September 2014	<u>(567,222)</u>
Net book value	
At 1 January 2014	650,000
At 30 September 2014	<u>26,818,487</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2014

8. Debtors

	30 September 2014	31 December 2013
	£	£
Prepayments	44,597	-
Warranty bond	1,070,000	-
Accrued income	900,600	-
Other debtors	192	-
VAT Recoverable	4,198,513	-
	<u>6,213,902</u>	<u>-</u>

9. Creditors: amounts falling due within one year

	30 September 2014	31 December 2013
	£	£
Amounts owed to Group undertakings	(31,139,581)	(656,790)
Trade creditors	(42,877)	-
Deferred consideration	(735,777)	-
Provision	-	(20,750)
Accruals	(68,560)	(3,599)
	<u>(31,986,795)</u>	<u>(681,139)</u>

A third party has legal charge of the Company's assets as security for financing provided to the Company's immediate Parent.

10. Creditors: amounts falling due after more than one year

	30 September 2014	31 December 2013
	£	£
Deferred tax liability	(108,167)	-
Deferred consideration	(735,776)	-
	<u>(843,943)</u>	<u>-</u>
Falling due as follows:		
Due within one to two years	(843,943)	-
Due within two to five years	-	-
	<u>(843,943)</u>	<u>-</u>

Deferred consideration is a future amount payable for the construction of a Solar installation asset under the terms of an Engineering Procurement and Construction contract.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2014

11. Financial commitments

Annual commitments under non-cancellable operating leases were as follows:

	30 September 2014 £	31 December 2013 £
Operating leases which expire:		
Within one year	-	-
Within two to five years	-	-
After five years	(100,113)	(100,113)
	<u>(100,113)</u>	<u>(100,113)</u>

12. Share capital & share premium

	No.	30 September 2014 £	31 December 2013 £
A Ordinary shares of £1.00 each issued at par	300	300	300
Ordinary shares of £1.00 each issued at par	1,033	1,033	1,033
		<u>1,333</u>	<u>1,333</u>

13. Statement of movements on Profit and Loss Account

	30 September 2014 £	31 December 2013 £
Balance brought forward	(31,696)	-
Profit/(Loss) for the financial period	<u>282,016</u>	<u>(31,696)</u>
Balance carried forward	250,320	(31,696)

14. Reconciliation of movements in shareholders' funds

	30 September 2014 £	31 December 2013 £
Profit/(Loss) for the financial period	282,016	(31,696)
Share capital issued for cash	<u>-</u>	<u>1,333</u>
Net movement in shareholders' funds	282,016	(30,363)
Shareholders' funds brought forward	<u>(30,363)</u>	<u>-</u>
Closing shareholders' funds	251,653	(30,363)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2014

15. Related party transactions

The Company's Parent, Ingenious Clean Energy (Solar Midco) Limited advanced loans of £31.4m to the Company, of which £30.5m was outstanding at the period end. The loan facility is repayable on 31 October 2014. Interest on the facility was charged at a rate of interest 7.0% above base rate and at the period end interest of £616k had accrued on this facility.

16. Controlling party

The Company's Parent is Ingenious Clean Energy (Solar Midco) Limited and Ingenious Media Holdings Plc, a company registered in England and Wales, is the ultimate parent entity.

17. Post balance sheet events

On the 26 September 2014, the Company's Parent entered into a master share purchase agreement, to sell the Company to a third party. Completion is expected during October or November 2014.