

Registered number: 09125849

Lincoln Red Power Limited

Unaudited

Directors' report and financial statements

For the period ended 31 July 2016



Lincoln Red Power Limited

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Lincoln Red Power Limited

Company Information

Directors	P S Latham (appointed 20 June 2016) T Rosser (appointed 20 June 2016) S W Reynolds (appointed 13 February 2017)
Company secretary	S Ludlow
Registered number	09125849
Registered office	6th Floor 33 Holborn London EC1N 2HT
Chartered Accountants	PricewaterhouseCoopers LLP Chartered Accountants Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Bankers	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB
Solicitors	Shakespeare Martineau LLP No. 1 Colmore Square Birmingham B4 6AA

Lincoln Red Power Limited

Directors' report

For the period ended 31 July 2016

The directors present their report and the unaudited financial statements of the Company for the period ended 31 July 2016.

This is the first period the Company has adopted FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" Section 1A. Details of the transition have been presented in note 10 of the financial statements.

Principal activities

The Company is the parent 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 the 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 S Latham (appointed 20 June 2016)
T Rosser (appointed 20 June 2016)
S W Reynolds (appointed 13 February 2017)
OCS Services Limited (resigned 23 September 2015)
H Manisty (appointed 23 September 2015 and resigned 20 June 2016)
T E Pitt Ford (appointed 23 September 2015 and resigned 20 June 2016)
G La Loggia (appointed 20 June 2016 and resigned 13 February 2017)

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

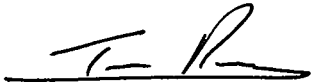
Lincoln Red Power Limited

Directors' report (continued)
For the period ended 31 July 2016

Small companies' exemption

This report has been prepared in accordance with special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the board on 26 April 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'T Rosser', is written over a horizontal line.

T Rosser
Director

Lincoln Red Power Limited

Chartered Accountants' report to the directors on the preparation of the unaudited statutory financial statements of Lincoln Red Power Limited (the "Company") for the period ended 31 July 2016.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the Company's financial statements for the period ended 31 July 2016 as set out on pages 5 - 11, from the Company's accounting records and from information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulations.

This report is made solely to the company's board of directors, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the Company's financial statements and state those matters that we have agreed to state to the company's board of directors, as a body, in this report in accordance with Audit and Assurance Faculty Technical Release 2/10 (AAF 02/10) as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its board of directors as a body for our work or for this report.

It is your duty to ensure that the company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of the Company. You consider that the Company is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the Company's financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

**Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ**

Date: 26 APRIL 2017

Lincoln Red Power Limited

**Statement of income and retained earnings
For the period ended 31 July 2016**

	Period ended 31 July 2016 £	Period ended 28 Feb 2015 £
Administrative expenses	(155,192)	-
Loss on ordinary activities before taxation	(155,192)	-
Tax on loss on ordinary activities	-	-
Loss for the financial period	(155,192)	-
Retained earnings at the beginning of the period	-	-
Loss for the financial period	(155,192)	-
Retained earnings at the end of the period	(155,192)	-

The notes on pages 7 to 12 form part of these financial statements.

Lincoln Red Power Limited
Registered number: 09125849

Statement of financial position
As at 31 July 2016

	Note	31 July 2016 £	31 July 2016 £	28 February 2015 £	28 February 2015 £
Fixed assets					
Investments	4		4,389,364		-
			4,389,364		-
Current assets					
Debtors: amounts falling due within one year	5	90,000		-	
Cash at bank and in hand		368,146		-	
		458,146			
Creditors: amounts falling due within one year	6	(2,702)		-	
Net current assets			455,444		-
Total assets less current liabilities			4,844,808		-
Net assets			4,844,808		-
Capital and reserves					
Called up share capital	7		50,000		-
Share premium account			4,950,000		-
Retained earnings			(155,192)		-
Total shareholders' funds			4,844,808		-


For the period ended 31 July 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26 April 2017


T Rosser
 Director

The notes on pages 7 to 12 form part of these financial statements.

Lincoln Red Power Limited

Notes to the financial statements For the period ended 31 July 2016

1. General information

Lincoln Red Power Limited is a private company, limited by shares, incorporated in and domiciled in the United Kingdom, registration number 09125849. The registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

The Company is the parent 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 11.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. No critical judgements have been applied to these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

These financial statements contain information about the Company as an individual and do not contain consolidated financial information as the parent undertaking of a group. The Company is exempt under the special provisions of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

- from preparing a statement of cash flows, required under Section 7 of FRS 102 para 3.17(d), on the basis that it is a small company;
- from disclosing the Company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

2.4 Going concern

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

2.5 Investments in subsidiaries

Investments in subsidiaries are stated at their purchase cost less any provision for diminution in value.

**Notes to the financial statements
For the period ended 31 July 2016**

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

**Notes to the financial statements
For the period ended 31 July 2016**

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to group undertakings.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Lincoln Red Power Limited

Notes to the financial statements For the period ended 31 July 2016

2. Accounting policies (continued)

2.12 Current taxation

Tax is recognised in the Statement of income and retained earnings, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Employees and directors' remuneration

The Company has no employees other than the directors, who did not receive any emoluments (28 February 2015 - £nil).

4. Investments

	Investments in subsidiary companies £
Cost	
Additions	4,389,364
At 31 July 2016	<u>4,389,364</u>
Net book value	
At 31 July 2016	<u><u>4,389,364</u></u>
At 28 February 2015	<u><u>-</u></u>

Subsidiary undertakings

During the period, the Company acquired 100% of the ordinary share capital of Vivaldi Energia S.R.L a company registered in Italy. The registered address of Vivaldi Energia S.R.L is Roma Piazzale, Marcellino, Champagnat, 2 CAP 00144.

Lincoln Red Power Limited

Notes to the financial statements For the period ended 31 July 2016

5. Debtors

	31 July 2016 £	28 February 2015 £
Amounts owed by group undertakings	90,000	-
	<u>90,000</u>	<u>-</u>

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

6. Creditors: Amounts falling due within one year

	31 July 2016 £	28 February 2015 £
Accruals and deferred income	2,702	-
	<u>2,702</u>	<u>-</u>

7. Called up share capital

	31 July 2016 £	28 February 2015 £
Allotted and fully paid		
5,000,001 (2015 - 1) Ordinary shares of £0.01 each	50,000	-
	<u>50,000</u>	<u>-</u>

During the period, the Company issued 5,000,000 ordinary shares at a nominal value of £0.01 each, for a total consideration of £5,000,000 of which £4,950,000 is held in the share premium account.

8. Related party transactions

The Company has identified the following transactions which fall to be disclosed under the terms of FRS 102 "Related party transactions"

During the period, arrangement fees of £150,000 (2015 - £nil) were charged by Octopus Investments Limited, a related party due to its significant influence over the entity. At the period end, an amount of £nil (2015 - £nil) was outstanding.

During the period, the Company met expenditure of £75,000 (2015 - £nil) on behalf of its wholly owned subsidiary Vivaldi Energia S.R.L Limited. At 31 July 2016, a balance of £90,000 (2015 - £nil) was outstanding and is included within debtors.

9. Ultimate controlling party

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

Lincoln Red Power Limited

**Notes to the financial statements
For the period ended 31 July 2016**

10. First time adoption of FRS 102

This is the first period that the Company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 28 February 2015. The date of transition to FRS 102 was 10 July 2014. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.