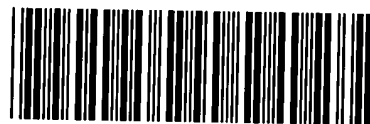


Registered number: 09816281

CANADIAN SOLAR UK PARENT LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 8 OCTOBER 2015 TO 31 DECEMBER 2016**

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COMPANIES HOUSE

Sayers Butterworth LLP

CANADIAN SOLAR UK PARENT LIMITED

Company Information

Directors D Giannoulakis (appointed 10 November 2015, resigned 20 June 2017)
R Scognamiglio (appointed 11 December 2015)
A G Doda (appointed 8 October 2015, resigned 11 December 2015)
G Prearo (appointed 20 June 2017)

Company secretary JD Secretariat Limited

Registered number 09816281

Registered office 1 Lumley Street
Mayfair
London
United Kingdom
W1K 6TT

Independent auditor Deloitte LLP
2 New Street Square
London
United Kingdom
EC4A 3BZ

Accountants Sayers Butterworth LLP
3rd Floor
12 Gough Square
London
EC4A 3DW

CANADIAN SOLAR UK PARENT LIMITED

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CANADIAN SOLAR UK PARENT LIMITED

Directors' report For the Period from 8 October 2015 to 31 December 2016

The directors present their report and the audited financial statements for the period from 8 October 2015 to 31 December 2016.

Organisation and principal activity

Canadian Solar UK Parent Limited (the 'Company') was incorporated on 8 October 2015 (Companies House registration number 09816281) and is a holding company.

At the period end, the Company is a wholly-owned subsidiary of Canadian Solar UK Holding Limited and Canadian Solar Inc., the ultimate parent undertaking.

Results and dividends

The loss for the period, after taxation, amounted to £14,872.

No dividends were paid during the period.

Directors

The directors who served during the period and subsequently were:

D Giannoulakis (appointed 10 November 2015, resigned 20 June 2017)
R Scognamiglio (appointed 11 December 2015)
A G Doda (appointed 8 October 2015, resigned 11 December 2015)
G Prearo (appointed 20 June 2017)

Future developments and going concern

The directors foresee continued operations much in the vein of 2016 performance at the time of writing, despite a degree of uncertainty in the UK renewables industry.

The Company will continue to exist as a going concern and there are no plans to liquidate the Company. Further details in respect of going concern are provided in note 2.4 to the financial statements.

Financial instruments

Objectives and policies

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the Company is presented as a liability in the balance sheet.

Price risk, credit risk, liquidity risk and cash flow

The business' principal financial instruments comprise trade debtors and creditors. The main purpose of these instruments is to finance the business' operations.

Trade debtors are managed in respect of cash flow risk by the regular monitoring of amounts outstanding.

Creditors' liquidity is managed by ensuring sufficient funds are available to meet amounts due.

CANADIAN SOLAR UK PARENT LIMITED

Directors' report (continued)
For the Period from 8 October 2016 to 31 December 2016

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.

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

Post balance sheet events

There have been no significant events affecting the Company since the period end.

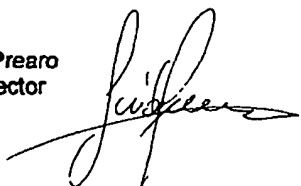
Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and accordingly no Strategic report has been presented.

This report was approved by the board on 13 September 2017 and signed on its behalf.

G Prearo
Director



CANADIAN SOLAR UK PARENT LIMITED

Directors' responsibilities statement For the Period from 8 October 2015 to 31 December 2016

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 elected to prepare the financial statements in accordance with applicable law and 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'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

CANADIAN SOLAR UK PARENT LIMITED

Independent auditor's report to the shareholders of Canadian Solar UK Parent Limited

We have audited the financial statements of Canadian Solar UK Parent Limited for the period ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 15. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Auditor's 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 Auditor

As explained more fully in the Directors' responsibilities statement 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). Those standards require us to comply with the Auditing Practice 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 31 December 2016 and of its loss for the period 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.

CANADIAN SOLAR UK PARENT LIMITED

Independent auditor's report to the shareholders of Canadian Solar UK Parent Limited (continued)

Opinion 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 those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report..



David Paterson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor

London, United Kingdom

13 September 2017

CANADIAN SOLAR UK PARENT LIMITED

**Statement of comprehensive income (incorporating the profit and loss account)
For the Period from 8 October 2015 to 31 December 2016**

		Period 8 October 2015 to 31 December 2016 £
	Note	
Administrative expenses		(16,557)
Operating loss	4	(16,557)
Interest receivable and similar income	6	67,403
Interest payable and similar charges	7	(65,718)
Loss before tax		(14,872)
Tax on loss	8	-
Loss for the period		(14,872)
Total comprehensive loss for the period		(14,872)

The above results are derived from continuing activities.

The notes on pages 9 to 19 form part of these financial statements.

CANADIAN SOLAR UK PARENT LIMITED
Registered number: 09816281

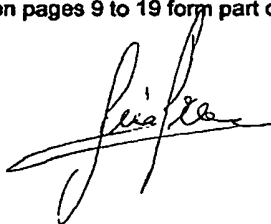
Balance sheet
As at 31 December 2016

	Note	2016 £
Fixed assets		
Investments	9	1
		<u>1</u>
Current assets		
Debtors: amounts falling due within one year	10	9,988,141
Cash at bank and in hand		880
		<u>9,989,031</u>
Creditors: amounts falling due within one year	11	<u>(10,003,903)</u>
Net current liabilities		<u>(14,872)</u>
Total assets less current liabilities		<u>(14,871)</u>
Net liabilities		<u><u>(14,871)</u></u>
Capital and reserves		
Called up share capital	12	1
Profit and loss account		(14,872)
		<u><u>(14,871)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2017.

G Prearo
Director

The notes on pages 9 to 19 form part of these financial statements.



CANADIAN SOLAR UK PARENT LIMITED

**Statement of changes in equity
For the Period from 8 October 2015 to 31 December 2016**

	Called up share capital £	Profit and loss account £	Total deficit £
At 8 October 2015	-	-	-
Comprehensive loss for the period			
Loss for the period	-	(14,872)	(14,872)
Total comprehensive loss for the period	-	(14,872)	(14,872)
Shares issued during the period	1	-	1
Total transactions with owners	1	-	1
At 31 December 2016	1	(14,872)	(14,871)

CANADIAN SOLAR UK PARENT LIMITED

Notes to the financial statements For the Period from 8 October 2015 to 31 December 2016

1. General information

Canadian Solar UK Parent Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The Company is a holding company.

The Company's registered office is 1 Lumley Street, Mayfair, London, W1K 6TT and its principal place of business is 3rd Floor, 78 Pall Mall, London, SW1Y 5ES.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Canadian Solar Inc. as at 31 December 2016 and these financial statements may be obtained from 545 Speedvale Avenue West, Guelph, Ontario, Canada, N1K 1E6, which is its registered office.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent Company, Canadian Solar Inc., includes the Company's cash flow in its consolidated financial statements.

2.3 Consolidated financial statements

The Company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

CANADIAN SOLAR UK PARENT LIMITED

Notes to the financial statements For the Period from 8 October 2015 to 31 December 2016

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis despite an excess of total liabilities over total assets of £14,871. The directors consider this to be appropriate as it is the intention of the ultimate parent undertaking, Canadian Solar Inc., to provide financial support for at least twelve months from the date of approval of these financial statements.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.8 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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 debtors and creditors, 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 comprehensive income.

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 of the recoverable amount, which

CANADIAN SOLAR UK PARENT LIMITED

Notes to the financial statements For the Period from 8 October 2015 to 31 December 2016

2. Accounting policies (continued)

2.8 Financial instruments (continued)

is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

The Company did not have any derivatives during the period.

2.9 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.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

CANADIAN SOLAR UK PARENT LIMITED

Notes to the financial statements For the Period from 8 October 2015 to 31 December 2016

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.13 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, nor any critical judgements in applying the Company's accounting policies.

CANADIAN SOLAR UK PARENT LIMITED

Notes to the financial statements
For the Period from 8 October 2015 to 31 December 2016

4. Operating loss

The operating loss is stated after charging:

	Period 8 October 2015 to 31 December 2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,000

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration in respect of services to the Company in the period.

6. Interest receivable

	Period 8 October 2015 to 31 December 2016 £
Interest receivable from group undertakings	67,403
	<u>67,403</u>

Interest receivable refers to interest received on the shareholder loan agreement with Canadian Solar UK Investment Limited. Refer to note 10 for more details.

CANADIAN SOLAR UK PARENT LIMITED

**Notes to the financial statements
For the Period from 8 October 2015 to 31 December 2016**

7. Interest payable and similar charges

	Period 8 October 2015 to 31 December 2016 £
Interest payable from group undertakings	65,718
	65,718

Interest payable refers to interest paid on the shareholder loan agreement with Canadian Solar UK Projects Limited. Refer to note 11 for more details.

CANADIAN SOLAR UK PARENT LIMITED

Notes to the financial statements
For the Period from 8 October 2015 to 31 December 2016

8. Taxation

**Period 8
October
2015 to
31
December
2016
£**

Total current and deferred tax

-

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

**Period 8
October
2015 to
31
December
2016
£**

Loss on ordinary activities before tax

(14,872)

Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%

(2,974)

Effects of:

Unrelieved tax losses carried forward

2,974

Total tax charge for the period

-

Factors that may affect future tax charges

Subject to approval from HMRC, the Company has trading losses of approximately £14,872 that can be offset against future trading profits.

The Company has not recognised a deferred tax asset in respect of the tax losses as there is insufficient evidence of future taxable profits.

On 18 November 2015, proposals to reduce the main rate of corporation tax from the current 20% to 19% from 1 April 2017 and to 18% from 1 April 2020 were enacted into UK law. Revised legislation was introduced in the Finance Bill 2016 to reduce the main rate of corporation tax for all non-ring fence profits to 17% instead of 18% from 1st April 2020.

CANADIAN SOLAR UK PARENT LIMITED

**Notes to the financial statements
For the Period from 8 October 2015 to 31 December 2016**

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	1
At 31 December 2016	<u>1</u>
Net book value	
At 31 December 2016	<u><u>1</u></u>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Canadian Solar UK Investment Limited	England and Wales	Ordinary	100 %	Holding company

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
CSI Errol Solar PV Limited	England and Wales	Ordinary	100 %	Generation and provision of solar energy
CSI Long Meadow Farm Limited	England and Wales	Ordinary	100 %	Generation and provision of solar energy
CSI Sea View Limited	England and Wales	Ordinary	100 %	Generation and provision of solar energy
CSI Wick Road Solar PV Limited	England and Wales	Ordinary	100 %	Generation and provision of solar energy
Royston Solar Project Limited	England and Wales	Ordinary	100 %	Generation and provision of solar energy
Royston Holdco Limited	England and Wales	Ordinary	100 %	Holding company
Pantymoch Farm Renewables Limited	England and Wales	Ordinary	100 %	Generation and provision of solar energy
Pantymoch Holdco Limited	England and Wales	Ordinary	100 %	Holding company
TGC Solar Slade Limited	England and Wales	Ordinary	100 %	Generation and provision of solar energy

CANADIAN SOLAR UK PARENT LIMITED

**Notes to the financial statements
For the Period from 8 October 2015 to 31 December 2016**

9. Fixed asset investments (continued)

Royston Community Solar Project C.I.C	England and Wales	Ordinary	100 %	Generation and provision of solar energy
Pantymoch Farm Community Solar Project C.I.C	England and Wales	Ordinary	100 %	Generation and provision of solar energy
Wick Road Holdco Limited	England and Wales	Ordinary	100 %	Holding company
Wick Road Community Solar Project C.I.C	England and Wales	Ordinary	100 %	Generation and provision of solar energy

The registered office address of all of the above companies is 1 Lumley Street, Mayfair, London, W1K 6TT.

10. Debtors

	2016
	£
Amounts owed by group undertakings	9,987,646
Other debtors	495
	9,988,141

Amounts owed by group undertakings relate to a loan to Canadian Solar UK Investment Limited. Interest is charged at 8% and the loan is repayable on demand.

CANADIAN SOLAR UK PARENT LIMITED

Notes to the financial statements
For the Period from 8 October 2015 to 31 December 2016

11. Creditors: Amounts falling due within one year

	2016 £
Amounts owed to group undertakings	9,991,903
Accruals and deferred income	12,000
	<u>10,003,903</u>

There is a fixed charge in favour of Royal Bank of Scotland over the leasehold property including any buildings, fixtures, fittings, fixed plant or machinery situated on or forming part of such property and all related rights.

There is also a fixed and floating charge in favour of Royal Bank of Scotland over the real property, the tangible moveable property, the accounts, the intellectual property, any goodwill and rights in relation to the uncalled capital, the investments, the charged portfolio, all authorisations, all monetary claims and the benefits of all claims and related rights.

The above charges are in relation to loan commitments entered into by Canadian Solar UK Projects Ltd on behalf of the group, the proceeds of which have been used to finance the purchase of solar farms in the various subsidiary companies.

Amounts owed to group undertakings are unsecured. Interest is charged at 7.8%, there is no fixed date of repayment and the amounts are repayable on demand.

12. Share capital

	2016 £
Shares classified as equity	
Authorised, allotted, called up and fully paid	
1 Ordinary share of £1	<u>1</u>

On 8 October 2015, the Company issued 1 ordinary share with a nominal value of £1.

13. Related party transactions

The Company has adopted the exemption permitted by paragraph 33.1A of FRS 102 and has not disclosed transactions with other group members, which are wholly-owned.

14. Post balance sheet events

There were no events after the balance sheet date which require adjustment to, or disclosure in, these financial statements.

CANADIAN SOLAR UK PARENT LIMITED

**Notes to the financial statements
For the Period from 8 October 2015 to 31 December 2016**

15. Controlling party

The immediate parent undertaking throughout the period and at the period end is Canadian Solar UK Holding Ltd, a company incorporated in England and Wales.

At the period end, the ultimate parent undertaking is Canadian Solar Inc., a company incorporated in Canada. The parent undertaking of the largest and smallest group of which the Company is a member and consolidated financial statements are prepared is Canadian Solar Inc. Copies of consolidated financial statements can be obtained from 545 Speedvale Avenue West, Guelph, Ontario, Canada, N1K 1E6 which is its registered address.