Four Burrows Solar Park Limited

Report and Financial Statements

For the period ended 31 March 2014

Reaistered No. 07902743

Registered No. 07902743

Directors

J Cole
S Mack
M Dooley
J Jackman

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
Middlesex
United Kingdom
UB8 1EX

Registered Office

2nd Floor
13 Berkeley Street
London
United Kingdom
W1J 8DU

Registered No. 07902743

Directors' report

for the period ended 31 March 2014

The comparative period was from the date of incorporation, 9 January 2012 to 31 December 2012. The accounting reference date subsequently changed to the 31 March 2014. Accordingly the directors present their report and financial statements for the fifteen month period ended 31 March 2014.

Principal activity

Four Burrows Solar Park Limited's principal activity is the development and operation of solutions to mitigate climate change.

Directors

The directors who served the company during the period were those listed below:

R Bedlow	(appointed 9 January 2012, resigned 7 November 2013)
J Cole	
S Mack	
M Dooley	(appointed 7 November 2013)
J Jackman	(appointed 7 November 2013)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving the report is aware, there is no relevant audit information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

PricewaterhouseCoopers have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an AGM.

Small company exemptions

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

On behalf of the Board

J Cole
Director

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 financial statements under International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 those 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss and cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Four Burrows Solar Park Limited, comprise:

- Statement of financial position as at 31 March 2014;
- Income statement and Statement of comprehensive income for the period then ended;
- Statement of cash flows for the period then ended;
- Statement of changes in equity for the period 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 their preparation is applicable law and IFRSs as adopted by the European Union.

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter 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.

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.

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 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.

Other Matter – prior period financial statements unaudited

The financial statements for the period ended 31 December 2012, forming the corresponding figures of the financial statements for the period ended 31 March 2014, are unaudited.

John Dashwood

John Dashwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
17th July 2014

Income statement

for the period ended 31 March 2014

	Notes	*Period ended 31 March 2014* £	*Period ended 31 December 2012 Unaudited* £
Revenue	3	52,439	–
Cost of sales		–	–
Gross profit		52,439	–
Administrative expenses		(56,591)	(10)
Operating loss	4	(4,152)	(10)
Finance costs		–	–
Loss on ordinary activities before taxation		(4,152)	(10)
Income tax expense	5	–	–
Loss for the period		(4,152)	(10)

Statement of comprehensive income

for the period ended 31 March 2014

	Period ended 31 March 2014 £	*Period ended 31 December 2012 Unaudited* £
Loss for the period	(4,152)	(10)
Other comprehensive income	–	–
Total comprehensive loss for the period	(4,152)	(10)

Statement of financial position

at 31 March 2014

	Notes	*31 March 2014* £	*31 December 2012 Unaudited* £
Non-current assets			
Property, plant and equipment	6	8,780,307	365,153
Current assets			
Trade and other receivables	7	260,873	69,082
Cash and cash equivalents		4,691	123
		265,564	69,205
Total assets		9,045,871	434,358
Equity and liabilities			
Equity			
Equity share capital	12	100	1
Retained losses		(4,162)	(10)
Total equity		(4,062)	(9)
Liabilities			
Non-current liabilities			
Financial liabilities	9	7,081,033	389,037
Provisions	10	399,271	–
		7,480,304	389,037
Current liabilities			
Trade and other payables	8	1,497,407	45,330
Financial liabilities	9	72,222	–
		1,569,629	45,330
Total liabilities		9,049,933	434,367
Total equity and liabilities		9,045,871	434,358

The financial statements on pages 6 to 21 were approved and authorised for issue by the board and were signed on its behalf on 11/7/ 2014.

J Cole
Director
Registered no: 07902743

Statement of changes in equity,

for the period ended 31 March 2014

	Note	*Share capital* £	*Retained losses* £	*Total equity* £
At 9 January 2012		–	–	–
Shares issued in the period		1	–	1
Total comprehensive loss for the period		–	(10)	(10)
At 31 December 2012 (Unaudited)		1	(10)	(9)
Shares issued in the period	12	99	–	99
Total comprehensive loss for the period		–	(4,152)	(4,152)
At 31 March 2014		100	(4,162)	(4,062)

Statement of cash flows

for the period ended 31 March 2014

	Notes	*31 March 2014* £	*31 December 2012 Unaudited* £
Operating activities			
Loss for the period before income tax		(4,152)	(10)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation		33,974	–
Working capital adjustments:			
Increase in trade and other receivables		(191,791)	(69,082)
(Decrease)/increase in trade and other payables		(4,789)	45,330
Net cash flow from operating activities		(166,758)	(23,762)
Investing activities			
Purchase of property, plant and equipment		(6,464,318)	(365,153)
Net cash flow from investing activities		(6,464,318)	(365,153)
Financing activities			
Proceeds from issue of shares	12	99	1
Increase in loans from group undertakings	9	6,635,545	389,037
Net cash flow from financing activities		6,635,644	389,038
Increase in cash and cash equivalents		4,568	123
Cash and cash equivalents at beginning of period		123	–
Cash and cash equivalents at end of period		4,691	123

Notes to the financial statements

at 31 March 2014

1. General information

Four Burrows Solar Park Limited is a private limited company incorporated and domiciled in England and Wales. The address of the company's registered office is 2nd Floor, 13 Berkeley Street, London, W1J 8DU.

The principal activities of the company are focused on finding solutions to mitigate climate change. The principal accounting policies adopted by the company are set out in note 2.

2. Accounting policies

Statement of compliance

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations issued by the International Financial Reporting Interpretation Committee (IFRICs) as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006 as they apply to the financial statements of the company for the period ended 31 March 2014.

Basis of preparation

The financial statements are prepared on the historical cost basis, as modified by the revaluation of certain financial instruments. The financial statements are presented in Sterling.

Going concern

The directors believe that the company is well placed to manage its business risks successfully. Having reviewed the company's current position and cash flow projections, 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 annual report and financial statements.

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period, except for the following amendments to IFRS effective as of 1 January 2013. Their adoption has not had any significant impact on the amounts reported in the financial statements but may impact the accounting for future transactions and arrangements:

IAS 1	Presentation of Items of Other Comprehensive Income – Amendments to IAS 1	Affected presentation only and had no impact on the company's financial position or performance
IAS 28	Investments in Associates and Joint Ventures (as revised in 2011)	No impact on the company
IFRS 11	Joint Arrangements	No impact on the company
IFRS 12	Disclosure of Interests in Other Entities	No impact on the company
IFRS 13	Fair Value Measurement	No impact on the company

Notes to the financial statements

at 31 March 2014

2. Accounting policies (continued)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

		Effective for periods Commencing
IAS 32	Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32	1 January 2014
IAS 36	Recoverable Amount Disclosures for Non Financial Assets – Amendments to IAS 36	1 January 2014
IFRS 9	Financial Instruments	1 January 2015

The above standards and interpretations are expected to be adopted in accordance with their effective dates and have not been adopted in these financial statements. The directors do not anticipate that adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Items of property, plant and equipment are depreciated to their estimated residual values on a straight line basis over their expected useful lives as follows:

Solar PV assets	- over 25 years
Inverters	- over 15 years

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking into account technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in the income statement. Depreciation commences when an asset is available for use.

Borrowing costs

Borrowing costs directly attributable to assets under construction and which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset.

Notes to the financial statements

at 31 March 2014

2. Accounting policies (continued)

Decommissioning provision

Liabilities for decommissioning costs are recognised when the company has an obligation to dismantle and remove the Solar PV equipment and to restore the land on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements. A corresponding tangible item of property, plant and equipment equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure is added to or deducted from the cost of the assets to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

Impairment of non-financial assets

Impairment of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

If the recoverable amount of the asset is estimated to be less than the carrying amount, the carrying amount of the asset or cash-generating unit is reduced to the recoverable amount. The impairment is recognised in the income statement as an expense. Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash flows independently, the recoverable amount is determined for the larger cash-generating unit to which the asset belongs.

A previously recognised impairment will be reversed insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

Leasing commitments

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Notes to the financial statements

at 31 March 2014

2. Accounting policies (continued)

Financial instruments

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, accounts payable and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not at fair value through profit and loss, directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell the financial asset.

De-recognition of financial assets and liabilities

A financial asset, or a portion of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement, or
- The company has transferred the rights to receive cash flows from the asset and either:

  (i) has transferred the substantially all the risks and rewards of the asset or

  (ii) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

Trade and other receivables

Subsequent to initial measurement, trade and other receivables are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in income when the receivables are derecognised or impaired, as well as through the amortisation process.

Trade and other receivables reflected on the balance sheet are net of an allowance for uncollectible amounts.

Financial liabilities

Loans and accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Any instrument that includes a repayment obligation is classified as a liability.

Notes to the financial statements

at 31 March 2014

2. Accounting policies (continued)

Financial instruments (continued)

Where the contractual liabilities of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities, and are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any features meeting the definition of a financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

Assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred, it is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument held at cost, then the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. The loss is recognised in profit or loss. Such impairment losses are not reversed.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

Equity

Equity comprises the following

- "Share capital" represents the nominal value of ordinary equity shares.
- "Retained earnings" include all current results as disclosed in the income statement.

Revenue recognition

Revenue represents income from the generation of energy from operational solar parks during the period. Any uninvoiced income is accrued in the period in which it has been generated.

Revenue is stated net of value added tax and is generated entirely within the United Kingdom.

Notes to the financial statements

at 31 March 2014

2. Accounting policies (continued)

Taxation

Current taxes are based on the results shown in the financial statements and are calculated using tax rates enacted or substantially enacted by the period end.

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision is made at current rates for deferred tax in respect of all timing differences that have originated but not reversed at the period end. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rates when the fair value was determined.

Significant accounting estimates and assumptions

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting policies and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. These relate to:

- Capitalisation and depreciation of property, plant and equipment, including decommissioning costs.

  As part of the measurement and recognition of assets and liabilities in 2014, the company has recognised a provision for decommissioning obligations associated with its solar park. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 31 March 2014 was £399,271 (2012: £nil).

- Revenue relating to the accrued income for ROCS and LECS

  The number of Renewable Obligation Certificates (ROCS) and Levy Exempt Certificates (LECS) are calculated each month based on the net number of mega-watts of power exported. The ROC price is fixed for each Compliance Period and is published in advance by Ofgem. The LEC is an exemption to the Climate Change Levy (CCL) which is published in advance of the tax year by HMRC. The ROC recycle price is not published until September following the accounting year end and thus management estimate the price at 10% of the ROC buy-out price in line with the 10% headroom uplift. Management monitor the total UK renewable generation on a quarterly basis to ensure this assumption remains reasonable.

Notes to the financial statements

at 31 March 2014

3. Revenue

Revenue recognised in the Income Statement is analysed as follows:

	2014	*2012 Unaudited*
	£	*£*
Energy generation	52,439	–

All turnover arose in the United Kingdom and is stated net of trade discounts, VAT and similar taxes.

4. Operating loss

This is stated after charging:

	2014	*2012 Unaudited*
	£	*£*
Depreciation	35,301	–
Auditors' remuneration	7,500	–
Directors' remuneration	–	–

For the period, M Dooley and J Jackman were employed by, and received all emoluments from, other Macquarie Group undertakings. The Directors perform directors' duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation across all these duties would mean any amounts allocated to their duties for the Company would be an immaterial nominal amount. Accordingly, no separate remuneration has been disclosed.

For the period, J Cole and S Mack were employed by, and received all emoluments from, other Andromeda Capital Partners Group undertakings. The Directors perform directors' duties for multiple entities in the Andromeda Capital Partners Group, as well as their employment duties within Andromeda Capital Partners Group businesses. Consequently, allocating their employment compensation across all these duties would mean any amounts allocated to their duties for the Company would be an immaterial nominal amount. Accordingly, no separate remuneration has been disclosed.

5. Income tax

(a) Income tax on loss on ordinary activities

Income tax charged in the income statement

	2014	*2012 Unaudited*
	£	*£*
Current tax:		
UK corporation tax on the loss for the period	–	–
Deferred tax:		
Origination and reversal of temporary differences:	–	–
Income tax charge in income statement	–	–

Notes to the financial statements

at 31 March 2014

5. Income tax (continued)

(b) Reconciliation of the total income tax charge

The income tax expense in the income statement for the year differs from the standard rate of corporation tax in the UK of 23% (2012 - 24.25%). The differences are reconciled below:

	2014	*2012 Unaudited*
	£	*£*
Accounting loss before taxation	(4,152)	(10)
Accounting loss before taxation multiplied by standard rate of corporation tax in the UK of 23% (2012 - 24.25%)	(955)	(2)
Losses available for carry forward	–	2
Permanent differences	2,510	–
Movement in unprovided deferred tax	2,894	–
Group relief for nil payment	(4,449)	–
Income tax charge in the income statement	–	–

(c) Factors that may affect future tax charges

The UK corporation tax rate was reduced from 24% to 23% effective 1 April 2013. Further changes reducing the rate to 21% in 2014 and 20% in 2015 were substantively enacted as at the balance sheet date. Any deferred tax expected to reverse in the year to 31 December 2014 has been remeasured using the rates substantively enacted at 31 December 2013.

(d) Deferred tax

At the year end there were pre-trading expenses of approximately £Nil (2012: £Nil) available for set off against future taxable profits. The related deferred tax asset of £Nil (2012: £Nil) has not been recognised in respect of those losses as the directors consider the level and timing of future profits to be uncertain.

Notes to the financial statements

at 31 March 2014

6. Property, plant and equipment

	Assets under construction	*Solar SPV assets*	*Total*
	£	£	£
Cost:			
At 1 January 2013	365,153	–	365,153
Additions	8,449,128	–	8,449,128
Transfer between classes	(8,814,281)	8,814,281	–
At 31 March 2014	–	8,814,281	8,814,281
Depreciation:			
At 1 January 2013	–	–	–
Charge for the period	–	33,974	33,974
At 31 March 2014	–	33,974	33,974
Net book value:			
At 31 March 2014	–	8,780,307	8,780,307

Cost:			
At 9 January 2012	–	–	-
Additions	365,153	–	365,153
Net book value:			
At 31 December 2012 (unaudited)	365,153	–	365,153

The amount of borrowing costs capitalised during the year ended 31 March 2014 was £125,843 (2012 - £2,830). These represent all the borrowing costs incurred in the period as all met the recognition criteria in IAS23.

Notes to the financial statements

at 31 March 2014

7. Trade and other receivables

	2014	2012 Unaudited
	£	£
Other debtors	1,580	1
Prepayments	665	665
Accrued income	52,439	–
Other taxes	206,189	68,416
	260,873	69,082

The short term carrying values are considered to be a reasonable approximation of the fair value.

8. Trade and other payables

	2014	2012 Unaudited
	£	£
Trade payables	20,732	36,997
Accruals	1,476,675	8,333
	1,497,407	45,330

The above payables were all unsecured. The short term carrying values are considered to be a reasonable approximation of fair value.

9. Financial liabilities

	2014	2012 Unaudited
	£	£
Current:		
Amounts due to group undertaking	72,222	–
Non-current:		
Amounts due to group undertaking	7,081,033	389,037

Details of the amounts due to group undertakings are given in note 13.

Notes to the financial statements

at 31 March 2014

10. Provisions

	2014
	£
Decommissioning	
At 1 January 2013	–
Arising during the period	399,271
At 31 March 2014	399,271

A provision has been recognised for decommissioning costs associated with the solar park. The company is committed to decommissioning the site at the end of the 25 year lease.

11. Lease obligations

Obligations under operating leases

The future minimum rentals payable under non-cancellable operating leases are as follows:

	2014	2012 (unaudited, restated)
Land and buildings	£	£
Not later than one year	23,949	23,949
After one year but not more than five years	-	-
After five years	-	-
	23,949	23,949

The company has entered into a 30 year lease for the use of land at Four Burrows. The lease has a six months break clause and so the future minimum rentals represent that shorter period. The 2012 comparative figures have been restated to reflect the six month break clause period.

12. Share capital

		2014		2012 Unaudited
Allocated, called up and unpaid	No.	£	No.	£
Ordinary shares of £0.01 each (2012: £1)	10,000	100	1	1
		100		1

On 20 March 2013 the ordinary shares of £1.00 each in the company were subdivided into 100 ordinary shares of £0.01 and the company issued 9,900 ordinary shares at a subscription price of £0.01 each.

Notes to the financial statements

at 31 March 2014

13. Related party transactions

Included in note 9 is £4,980,000 (2012: £Nil) owed to Macquarie Capital Group Limited, an undertaking which is connected to the Company's ultimate parent undertaking. The loan is repayable over 3 years and interest is charged at a variable rate based on the prevailing LIBOR rate plus a fixed margin. Macquarie Capital Group Limited has a fixed and floating charge over the assets of the company.

Included in note 9 is £2,173,255 (2012: £389,037) owed to Wala Holding 1 Limited, the company's immediate parent undertaking. This loan is repayable in full on 13 December 2016 and interest is charged at a variable rate based on the prevailing LIBOR rate plus a fixed margin. Macquarie (UK) Group Services Limited and Low Carbon Solar Investment Company Limited are each 50% shareholders in Wala Holding 1 Limited.

The company paid development and project management fees of £507,045 (2012: £33,000) to Inazin Power Limited in the period. Inazin Power Limited is a related party of the company as it and Low Carbon Solar Investment Company Limited are both controlled by Andromeda Capital Partners LLP. Low Carbon Solar Investment Company is a 50% shareholder in the company's parent company Wala Holding 1 Limited.

14. Controlling party

The company's immediate parent undertaking is Wala Holding 1 Limited. In the directors' opinion the ultimate parent undertaking and controlling party at 31 March 2014 is Macquarie Group Limited, a company registered in Australia. The accounts of Macquarie Group Limited, into which the company is consolidated, can be obtained from 1 Martin Place, Sydney, NSW 2000, Australia.