

# **Chalgrove Solar Limited**

Report and Financial Statements

Period Ended

30 June 2015

Company Number 08578829

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# **Chalgrove Solar Limited**

**Report and financial statements  
for the period ended 30 June 2015**

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## **Directors**

P Raftery (appointed 22 Oct 15)  
C Reid (appointed 22 Oct 15)

A Newman (resigned 22 Oct 15)  
R Meeks (resigned 28 Feb 14)  
K Schofield (resigned 22 Oct 15)

## **Registered office**

12 Throgmorton Avenue,  
London,  
United Kingdom,  
EC2N 2DL

**Company number - 08578829**

# **Chalgrove Solar Limited**

**Report and financial statements  
for the period ended 30 June 2015**

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# Chalgrove Solar Limited

## Report of the directors for the period ended 30 June 2015

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The directors are pleased to present their report and the unaudited consolidated financial statements of Chalgrove Solar Ltd for the period ended 30 June 2015 and the unaudited comparatives for the period 20 June 2013 to 30 June 2014

### Principal activity and review of the business

The company was incorporated on 20 June 2013. The principal activity of the company is the production of solar generated renewable energy.

### Business review

During the 12 month period ended the company recorded a loss of £260,598.

### Directors

The directors of the company throughout the month period were

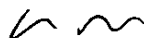
P Raftery (appointed 22 Oct 15)  
C Reid (appointed 22 Oct 15)

A Newman (resigned 22 Oct 15)  
K Schofield (resigned 22 Oct 15)

### Approval

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

This Directors' Report was approved by order of the Board on 16<sup>th</sup> June 2016



C Reid

Director

# **Chalgrove Solar Limited**

## **Statement of directors' responsibilities**

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### **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 elected to prepare 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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.

# Chalgrove Solar Limited

## Statement of comprehensive income for the period ended 30 June 2015

	Note	30 June 2015 unaudited £	30 June 2014 unaudited £
<b>Turnover</b>	3	443,786	-
Cost of sales		(198,762)	-
<b>Gross profit</b>		245,024	-
Administrative expenses		(98,254)	-
<b>Group operating profit</b>	4	146,770	-
Other interest receivable and similar income		-	-
Interest payable and similar charges	5	(407,368)	-
<b>Loss on ordinary activities before taxation</b>		(260,598)	-
Taxation on profit on ordinary activities	6	-	-
<b>Total comprehensive income for year</b>		(260,598)	-

The notes on pages 7 to 13 form part of these financial statements

# Chalgrove Solar Limited


## Balance sheet at 30 June 2015

<b>Company number</b> 08578829	<b>Note</b>	<b>30 June 2015 unaudited £</b>	<b>30 June 2015 unaudited £</b>	<b>30 June 2014 unaudited £</b>	<b>30 June 2014 unaudited £</b>
<b>Fixed assets</b>					
Tangible assets	7		19,373,106		2,085
<b>Current assets</b>					
Debtors	8	551,431		418	
Cash at bank and in hand		169,933		-	
		<u>721,364</u>		<u>418</u>	
<b>Creditors: amounts falling due within one year</b>	9	(20,256,788)		(2,502)	
<b>Net current liabilities</b>			<u>(19,535,424)</u>		<u>(2,084)</u>
<b>Total assets less current liabilities</b>			(162,318)		1
<b>Provision for liabilities</b>	11		<u>(98,278)</u>		-
<b>Net (liabilities)</b>			<u>(260,596)</u>		<u>1</u>
<b>Capital and reserves</b>					
Called up share capital	13		2		1
Profit and loss account			<u>(260,598)</u>		-
			<u>(260,596)</u>		<u>1</u>

For the period ending 30 June 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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 16<sup>th</sup> June 2016



C Reid  
Director

The notes on pages 7 to 13 form part of these financial statements

# Chalgrove Solar Limited

## Statement of cash flows for the year ended 30 June 2015

	Note	30 June 2015 £ Unaudited	30 June 2014 £ Unaudited
<b>Cash flows from operating activities</b>			
<b>Profit for the financial year</b>		146,770	-
Adjustments for			
Depreciation and amortisation of fixed assets	7	194,696	-
Increase in trade and other debtors		(551,431)	-
Decrease in trade creditors		8,364,916	-
<b>Cash from operations</b>		8,154,951	-
Interest received		-	-
<b>Net cash generated from operating activities</b>		8,154,951	-
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	7	(19,469,524)	-
<b>Net cash from investing activities</b>		(19,469,524)	-
<b>Cash flows from financing activities</b>			
New loans		11,484,506	-
Repayment of loans		-	-
<b>Net cash used in financing activities</b>		11,484,506	-
<b>Net increase in cash and cash equivalents</b>		169,933	-
Cash and cash equivalents at beginning of year		0	-
<b>Cash and cash equivalents at end of year</b>		169,933	-
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		169,933	-
		169,933	-

The notes on page 7 to 13 form part of these financial statements



## **Chalgrove Solar Limited**

### **Statement of changes in equity For the period ended 30 June 2015**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>Share capital issued on incorporation</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>30 June 2014</b>	<u><b>2</b></u>	<u></u>	<u><b>2</b></u>
<b>Comprehensive income for the period</b>	<b>-</b>	<b>(260,598)</b>	<b>(260,598)</b>
<b>30 June 2015</b>	<u><b>2</b></u>	<u><b>(260,598)</b></u>	<u><b>(260,596)</b></u>

The notes on pages 7 to 13 form part of these financial statements

# Chalgrove Solar Limited

## Notes forming part of the financial statements for the year ended 30 June 2015

### 1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015 but may be applied early to periods ending on or after 30 June 2012. Chalgrove Solar Limited has taken the option to apply the standard early in the preparation of these financial statements

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies

#### *Going concern*

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £19,535,425 (30 June 2014 £2,084), which the members believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by RI Income UK Holdings Limited, the Company's parent and has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will only seek repayment of the amounts due when the Company is in a position to do so

#### *Revenue*

Revenue principally represents recurring revenues from power purchase agreements for electricity generated by solar photovoltaic systems owned by the company as well as for renewable obligation certificates. Revenue is recognised in the period in which the electricity is generated

#### *Tangible fixed assets*

All tangible fixed assets are stated at cost less depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended

#### *Depreciation*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Solar Plant	-	4% per annum
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#### *Impairment of fixed assets*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased

# Chalgrove Solar Limited

## Notes forming part of the financial statements for the period ended 30 June 2015 (*continued*)

### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form

### *Finance costs*

Finance costs, apart from those directly attributable to the construction of qualifying assets per below, are charged to profit or loss over the term of the debt using the effective interest rate 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.

Finance costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) is capitalised up to the date when the qualifying asset is ready for its intended use as part of the cost of the respective asset and amortised over the useful life of the asset. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

### *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 item of property, plant and equipment has also been recognised.

Any changes in the present value of the estimated expenditure is added to or deducted from the cost of the asset 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.

## **2 Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

### *Other key sources of estimation uncertainty*

- *Tangible fixed assets (see note 7)*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

# Chalgrove Solar Limited

## Notes forming part of the financial statements for the period ended 30 June 2015 (continued)

- *Decommissioning provision (see note 11)*

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. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements.

### 3 Analysis of Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 4 Operating profit

	30 June 2015 unaudited £	30 June 2014 Unaudited £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	194,696	-
audit services	-	-

### 5 Interest payable and similar charges

	30 June 2015 unaudited £	30 June 2014 Unaudited £
Interest payable on senior debt	407,368	-

# Chalgrove Solar Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (*continued*)

## 6 Taxation on profit on ordinary activities

	30 June 2015 unaudited £	30 June 2014 unaudited £
<i>UK corporation tax</i>		
Current tax on profits of the year	-	-
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	-
	<hr/>	<hr/>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	30 June 2015 unaudited £	30 June 2014 unaudited £
Loss on ordinary activities before tax	260,598	-
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.75% (June 2014 - 21%)	54,725	-
Effects of		
Expenses not deductible for tax purposes	(40,886)	-
CF losses not recognised	(13,839)	-
	<hr/>	<hr/>
Total tax charge for period	-	-
	<hr/>	<hr/>

The company has not recognised a deferred tax asset in respect of the losses carried forwards of £13,839

# Chalgrove Solar Limited

Notes forming part of the financial statements  
for the period ended 30 June 2015 (*continued*)

## 7 Tangible fixed assets

	Solar plant and equipment £	Total £
<i>Cost or valuation</i>		
At 30 June 2014	2,085	2,085
Additions	19,565,717	19,565,717
	<hr/>	<hr/>
At 30 June 2015	19,567,802	19,567,802
	<hr/>	<hr/>
<i>Depreciation</i>		
At 20 June 2014	-	-
charge for period	194,696	194,696
	<hr/>	<hr/>
At 30 June 2015	194,696	194,696
	<hr/>	<hr/>
<i>Net book value</i>		
At 30 June 2015	19,373,106	19,373,106
	<hr/>	<hr/>
At 30 June 2014	2,085	2,085
	<hr/>	<hr/>

# Chalgrove Solar Limited

Notes forming part of the financial statements  
for the period ended 30 June 2015 (*continued*)

## 8 Debtors

	30 June 2015 unaudited £	30 June 2014 Unaudited £
Accrued income	342,052	-
Prepayments	25,580	-
VAT receivable	183,799	417
Other Debtors	-	1
	<hr/>	<hr/>
	551,431	418
	<hr/>	<hr/>

## 9 Creditors: amounts falling due within one year

	30 June 2015 £'000	30 June 2014 £'000
Short term debt due within one year	11,891,874	-
Trade creditors	8,335,835	2,501
Amounts owed to group undertakings	-	-
Accruals and deferred income	29,079	-
	<hr/>	<hr/>
	20,256,788	2,501
	<hr/>	<hr/>

## 10 Financial instruments

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, accrued income, amounts due from members, and amounts owed by joint ventures and associated undertakings

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors, deferred income, amounts due to former members, and accruals

There were no financial assets or liabilities measured at fair value through profit or loss

# Chalgrove Solar Limited

Notes forming part of the financial statements  
for the period ended 30 June 2015 (*continued*)

## 11 Provisions for liabilities

	Decommissioning lease £'000
Addition	98,278
At 30 June 2015	<u>98,278</u>

## 12 Deferred taxation

The group has not recognised the unused tax losses or credits

## 13 Share capital and reserves

	30 June 2015 unaudited £	30 June 2014 unaudited £
<i>Allotted, called up and fully paid</i> (2015 - 2) ordinary shares of £1 each	2	1

## 14 Related party disclosures

As at 30 June 2015 there was no ultimate controlling party

## 15 Post balance sheet events

On 22 October 2015 RI Income UK Holdings Limited acquired 100% of the share capital from the members