

Company Registration No. 08869678

NSD 2 Limited

Annual Report and Financial Statements

For the year ended 31 December 2015

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NSD 2 Limited

Annual report and financial statements for the year ended 31 December 2015

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NSD 2 Limited

Officers and professional advisers

Directors

C Reid

P Raftery

Registered office

2nd Floor

Edgeborough House

Upper Edgeborough Road

Guildford

Surrey

GU1 2BJ

Independent auditor

BDO LLP

Chartered Accountants and Statutory Auditor

55 Baker Street

London/ W1U7EU

United Kingdom

NSD 2 Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report, for the year ended 31 December 2015.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Further information on the basis of preparation of these financial statements and the going concern assumption can be found in note 1.

Principal activity

NSD 2 Limited serves as a holding company for the LLP which owns and operates a solar power plant.

On 22 December 2015, the Company had its entire share capital purchased by RI Income UK Holdings Limited and subsequently a number of resolutions were passed. New directors were appointed on the date of the transaction.

The Company will function in the same manner as before and as such there will be no fundamental change to the way the Company is operated or managed.

Results and dividends

The loss for the period after taxation was £-23,671 (31 December 2014: £5,171).

The directors do not recommend the payment of a dividend (31 December 2014: £nil).

Directors

The directors, who served throughout the period unless otherwise stated, were as follows:

E Dummett (resigned 22 December 2015)

R Dummett (resigned 22 December 2015)

C Reid (appointed 22 December 2015)

P Raftery (appointed 22 December 2015)

NSD 2 Limited

Directors' report (continued)

Independent auditor and statement of provision of information to the independent auditor


BDO LLP has expressed their willingness to continue in office as auditor of the Company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



C Reid
Director
16 December 2016

NSD 2 Limited

Directors' responsibilities statement

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NSD 2 Limited

Independent auditor's report to the members of NSD 2 Limited

We have audited the financial statements of NSD 2 Limited for the year ended 31 December 2015 which comprise the Statement of comprehensive income, the Balance sheet, statement and the related notes. 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 Statement of directors responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council (FRC's) Ethical Standards for auditors.

Scope of the audit of the financial statements

A description of the scope of our audit of financial statements is provided of the FRC's website at www.frc.org.uk/auditscopeukprivate

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 2015 and of its loss for the year 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.

Other matter

The corresponding figures for the year ended 31 December 2014 are unaudited.

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.

NSD 2 Limited

Independent auditor's report to the members of NSD 2 Limited (continued)

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 preparing a Strategic report or in preparing the Director's report.



Marc Reinecke (Senior Statutory Auditor)
for and on behalf of BDO LLP
Chartered Accountants and Statutory Auditor
55 Baker Street
London W1U 7EU
United Kingdom

16 December 2016

NSD 2 Limited

Statement of comprehensive income For the year ended 31 December 2015

	Notes	31-Dec-15 £	31-Dec-14 £
Turnover	1	-	791,691
Cost of sales		-	(776,276)
Gross (loss)/profit		-	15,415
Administrative expenses		(23,671)	(8,951)
Operating (loss)/profit	3	(23,671)	6,464
(Loss)/profit on ordinary activities before taxation		(23,671)	6,464
Tax charge on profit on ordinary activities	2	-	(1,293)
(Loss)/profit on ordinary activities after taxation		(23,671)	5,171
Total comprehensive income for the financial year attributable to the owners of the company		(23,671)	5,171

All items in the above statement derive from continuing operations.

NSD 2 Limited

Balance sheet

As at 31 December 2015

	Notes	31-Dec-15 £	31-Dec-14 £
Fixed assets			
Investments	4	<u>700,000</u>	<u>700,000</u>
		700,000	700,000
Current assets			
Debtors	5	<u>1</u>	<u>367,451</u>
		1	367,451
Creditors: amounts falling due within one year	6	<u>(718,500)</u>	<u>(1,062,279)</u>
Net liabilities		(718,499)	(694,828)
Net (liabilities)/assets		<u>(18,499)</u>	<u>5,172</u>
Capital and reserves			
Called-up share capital	7	1	1
Profit and loss account	8	(18,500)	5,171
Shareholder's (deficit)/funds		<u>(18,499)</u>	<u>5,172</u>

For the financial year ended 31 December 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The financial statements of NSD 2 Limited, registered number 08869678 were approved by the board of directors and authorised for issue on 16 December 2016.


C Reid
Director

NSD 2 Limited

Notes to the financial statements For the year ended 31 December 2015

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The company meets its day to day working capital requirements by short term loans received from its parent company Novus Solar Developments Limited. A going concern risk is present due to the fact that the company does not hold its own bank account.

1.2 General Information

NSD 2 Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and their principal activities are set out in the Directors' report on page 2.

1.3 Compliance with accounting standards

The financial statements have been prepared in accordance with the applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial periods, except where noted.

This is the first period in which the financial statements have been prepared under FRS 102. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. Refer to note 12 for an explanation of the transition.

1.4 Going Concern

The financial statements have been prepared on the basis the Company is a going concern, which the directors consider appropriate.

The directors have separately reviewed integrated forecasts for the Company, for the foreseeable future, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital.

1.5 Turnover

Turnover represents the share of profits/(losses) of UK Solar (Lower Newton) LLP.

1.6 Investments

Fixed asset investments are stated at cost less provision for impairment.

1.7 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

NSD 2 Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

1. Accounting policies (continued)

1.8 Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax assets and liabilities are offset only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred tax assets are only recognised when management deem that it is highly probable that there will be sufficient taxable profits in future periods which can utilise the deferred tax asset.

1.9 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NSD 2 Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

1. Accounting policies (continued)

1.9 Impairment of assets (continued)

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.10 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Valuation of investments

External valuations are used to revalue derivative financial instruments with any movements going to the hedging reserve. Management do not produce internal models to value the derivatives.

2.	Taxation	2015	2014
	Domestic current year tax		
		-	1,293
	Total current tax	-	1,293
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	(23,671)	6,464
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20%	(4,734)	1,293
	Deferred tax asset not recognised	4,734	-
	Current tax charge for the year	-	1,293
3.	Operating Loss		
	This arrived at after charging:	2015	2014
	Audit fees	5,000	-

NSD 2 Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

4. Fixed asset investments

	Share in group undertakings and participating shares
Cost	
At 01 January 2015	<u>700,000</u>
Additions	<u>-</u>
At 31 December 2015	<u>700,000</u>
Net book value	
At 31 December 2015	<u><u>700,000</u></u>

5. Debtors

Amounts owed by group undertakings and undertakings in which the company has a participating interest

2015	2014
<u>1</u>	<u>367,451</u>

6. Creditors

Trade creditors
Taxation and social security
Accruals
Deferred Income

2015	2014
-	240,000
-	108,854
6,500	-
712,000	713,425
<u>718,500</u>	<u>1,062,279</u>

7. Share Capital

Allotted, called up share capital
1 ordinary share of £1 each

2015	2014
<u>1</u>	<u>1</u>
<u>1</u>	<u>1</u>

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of shares issued.
- Profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

NSD 2 Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

8. Statement of movements in profit and loss account	Profit and loss account	Profit and loss account
	2015	2014
Opening profit	5,171	-
(Loss)/profit on ordinary activities	(23,671)	6,464
Taxation	-	(1,293)
Closing (loss)/profit	<u>(18,500)</u>	<u>5,171</u>
9. Reconciliation of movement of Shareholders funds	2015	2014
(Loss)/profit for the financial year	(23,671)	5,171
Proceeds from issue of shares	<u>-</u>	<u>1</u>
Net addition to shareholders funds	(23,671)	5,172
Opening Shareholders funds	<u>5,172</u>	<u>-</u>
Closing Shareholders (deficit)/funds	<u>(18,499)</u>	<u>5,172</u>

10. Related party transactions

As at 31 December 2015, NSD 2 Limited ("NSD 2") is owed £1 by its parent company RI Income UK Holdings Limited. The company has taken advantage of the exemptions provided by FRS 102 paragraph 33.1A and not disclosed the transactions with group undertakings where 100% of the voting rights are controlled within the group.

11. Information regarding directors and employees

The Company has no employees (31 December 2014: Nil). No directors received any remuneration from the Company during the period (31 December 2014: Nil). Services are provided through an asset management agreement.

12. Ultimate Parent Undertaking

On 21 December 2015, the Company was purchased as part of a wider transaction by RI Income UK Holdings Limited. The ultimate parent undertaking and controlling party in this group is considered to be Blackrock Infrastructure Funds Public Limited Company, an investment company registered in Ireland which accounts for investments at fair value and does not prepare consolidated financial statements.

The immediate parent company as at 31 December 2015 is RI Income UK Holdings Limited, an investment company registered in England & Wales which accounts for investments at fair value and does not prepare consolidated financial statements. The accounts are available from the registered office at 12 Throgmorton Avenue, London, EC2N 2DL.

NSD 2 Limited

Notes to the financial statements (continued) For the period ended 31 December 2015

13. First time adoption of FRS 102

The policies applied under the entities previous accounting framework are not materially different to FRS 102 and not impacted on equity or profit or loss.

14. Post balance sheet events

On 18 April 2016, the company became a member of UK Solar (Hartwell) LLP.