Lightsource Kingpin 3 Limited

Annual report and financial statements

for the year ended 30 April 2017

Registered number 09753381

Lightsource Kingpin 3 Limited
Annual report and financial statements
for the year ended 30 April 2017
Contents

Lightsource Kingpin 3 Limited

Directors and advisers

Directors
A Ara
P McCartie

Company number
09753381

Registered office
7th Floor
33 Holborn
London
EC1N 2HU

Bankers
Barclays Bank
1 Churchill Place
London
E14 5HP

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Directors' report
For the year ended 30 April 2017

The directors present their report and the audited financial statements for the year ended 30 April 2017.

Principal activities
The company is a wholly owned subsidiary of a group whose principal activities are that of the development, construction and operation of solar plants and the generation of solar power. This company is a holding company.

Directors
The directors who served during the year and up to the date of signing the financial statements were:

A Ara	(appointed 1 December 2017)
T Arthur	(resigned 5 October 2016)
W Cooper	(appointed 5 October 2016, resigned 30 November 2017)
P McCartie	

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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.

The directors 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.

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he/she 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 auditors are aware of that information.

Directors' report (continued)
For the year ended 30 April 2017

Small company exemption
In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

Independent auditors
During the year PricewaterhouseCoopers LLP were reappointed as auditors.

On behalf of the board

P McCartie
Director
15 January 2018

Independent auditors' report to the members of Lightsource Kingpin 3 Limited

Report on the financial statements

Our opinion

In our opinion, Lightsource Kingpin 3 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 30 April 2017;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the year 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

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.

Opinions 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 the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' report. We have nothing to report in this respect.

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.

Independent auditors' report to the members of Lightsource Kingpin 3 Limited (continued)

Other matters on which we are required to report by exception (continued)

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: prepare financial statements in accordance with the small companies regime; and 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 Statement of directors' responsibilities in respect of the financial statements set out on page 2, 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) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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. With respect to the Directors' report, we consider whether this report includes the disclosures required by applicable legal requirements.

Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
15 January 2018

Profit and loss account

For the year ended 30 April 2017

	Note	Year ended 30 April 2017 £	Period ended 30 April 2016 £
Administrative expenses		**(5,579)**	(2,721)
Operating loss	3	**(5,579)**	(2,721)
Income from investments		**-**	82,567,700
Impairment of investments		**-**	(64,344,995)
Interest receivable and similar income	4	**5,697,290**	174,451
Interest payable and similar expenses	5	**(6,842,006)**	(264,344)
(Loss) / profit before taxation		**(1,150,295)**	18,130,091
Tax on (loss) / profit	6	**-**	-
(Loss) / profit for the financial year / period		**(1,150,295)**	18,130,091

All of the company's activities are continuing.

The company has no recognised gains and losses other than the (loss) / profit for the financial year / period.

There are no material differences between the (loss) / profit before taxation and the (loss) / profit for the financial year / period stated above and their historical cost equivalents.

Lightsource Kingpin 3 Limited

Balance sheet
As at 30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	7	**13,809,000**	13,809,000
		13,809,000	13,809,000
Current assets			
Debtors	8	**74,906,060**	75,253,552
Cash at bank and in hand		**882,937**	1,012,157
		75,788,997	76,265,709
Creditors: amounts falling due within one year	9	**(48,616,913)**	(47,907,850)
Net current assets		**27,172,084**	28,357,859
Total assets less current liabilities		**40,981,084**	42,166,859
Creditors: amounts falling due after more than one year	10	**(28,996,184)**	(29,031,664)
Net assets		**11,984,900**	13,135,195
Capital and reserves			
Called up share capital	11	**5,005**	5,005
Share premium account		**99**	99
Profit and loss account		**11,979,796**	13,130,091
Total shareholders' funds		**11,984,900**	13,135,195

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities'.

The financial statements on pages 6 to 16 were approved by the board of directors on 15 January 2018 and are signed on their behalf by:

P McCartie
Director

Registered number 09753381

Lightsource Kingpin 3 Limited

Statement of changes in equity
For the year ended 30 April 2017

	Called up share capital	Share premium	Profit and loss account	Total shareholders' funds
	£	£	£	£
Balance at 28 August 2015	-	-	-	-
Profit for the financial period	-	-	18,130,091	18,130,091
Dividends paid	-	-	(5,000,000)	(5,000,000)
Share issue	5,005	99	-	5,104
Balance at 30 April 2016	**5,005**	**99**	**13,130,091**	**13,135,195**
Loss for the financial year	-	-	(1,150,295)	(1,150,295)
Balance at 30 April 2017	**5,005**	**99**	**11,979,796**	**11,984,900**

Notes to the financial statements
For the year ended 30 April 2017

1. General information

Lightsource Kingpin 3 Limited is a private company, limited by shares, incorporated in and domiciled in England and Wales, registered number 09753381. The registered office is 7th Floor, 33 Holborn, London, EC1N 2HU.

The company is a wholly owned subsidiary of a group of companies of which the principal activities are that of construction and operation of solar plants and the generation of solar power.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of *Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland* and the Companies Act 2006. This is the first period in which the financial statements have been prepared under FRS 102 and information on the impact of first time adoption of FRS 102 is given in note 14.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. No critical judgements have been applied to these financial statements.

2.2 Going concern

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying entity, the Company has taken advantage of the following exemptions:

(i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
(ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
(iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
(iv) from the requirement to prepare certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated as required by paragraphs 11.39 to 11.48(a) of FRS102; and
(v) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Notes to the financial statements (continued)
For the year ended 30 April 2017

2 Summary of significant accounting policies (continued)

2.4 Foreign Currency
The company's functional and presentation currency is the pound sterling.

2.5 Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts, intra-group sales and rebates allowed by the company and value added taxes.

The following criteria must also be met before revenue is recognised:

Interest receivable
Revenue is recognised as interest accrues using the effective interest method.

Dividends
Income from investments is recognised when the company's right to receive payment is established.

2.6 Impairment of non-financial assets
At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk- free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

2.7 Investments
Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the financial statements (continued)
For the year ended 30 April 2017

2 Summary of significant accounting policies (continued)

2.8 Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

2.9 Financial instruments
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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classes as financial liabilities. Financial liabilities are presented as such on the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. 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 terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the financial statements (continued)
For the year ended 30 April 2017

3 Operating loss

Auditors' remuneration was borne by another company within the group in the current year and prior period.

The company has no employees (2016: nil). No director received any emoluments during the year from the company for their office (2016: £nil).

4 Interest receivable and similar income

	Year ended 30 April 2017 £	Period ended 30 April 2016 £
Loans to group undertakings	**5,696,628**	173,935
Bank account	**662**	516
	5,697,290	174,451

5 Interest payable and similar expenses

	Year ended 30 April 2017 £	Period ended 30 April 2016 £
Loans from group undertakings	**5,265,896**	-
Bank loan	**1,576,110**	264,344
	6,842,006	264,344

Notes to the financial statements (continued)
For the year ended 30 April 2017

6 Tax on (loss) / profit

(a) Analysis of charge in year / period

	Year ended 30 April 2017 £	Period ended 30 April 2016 £
Current taxation:		
UK corporation tax charge on (loss) / profit for the year / period	-	-
Total current taxation	-	-
Tax on (loss) / profit (note 6(b))	-	-

(b) Factors affecting tax charge for the year / period

The tax assessed for the year is higher (2016: lower) than the standard rate of corporation taxation in the UK of 19.92% (2016: 20%). The differences are explained below:

	Year ended 30 April 2017 £	Period ended 30 April 2016 £
(Loss) / profit before taxation	**(1,150,295)**	18,130,091
(Loss) / profit before taxation multiplied by standard rate of corporation tax in the UK of 19.92% (2016: 20%)	**(229,114)**	3,626,018
Effects of:		
Expenses not deductible for tax purposes	-	12,868,999
Income not taxable for tax purposes	-	(16,513,540)
Group relief	**229,114**	-
Deferred tax not recognised	-	18,523
Total tax charge for the year / period (note 6(a))	-	-

(c) Factors that may affect future tax charge

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly the company's profits for this accounting year are taxed at an effective rate of 19.92%. In the budget speech on 8 March 2017 the previously announced rate change to 17% from 1 April 2020 was confirmed. There are no other factors which are expected to significantly affect the future tax charge.

Notes to the financial statements (continued)
For the year ended 30 April 2017

7 Investments

	Investment in subsidiary undertakings £
Cost	
As at 1 May 2016	13,809,000
Additions	-
Net book value at 30 April 2017	**13,809,000**

The company owns 100% of the ordinary share capital of Lightsource Radiate 1 Limited, registered address 7th Floor, 33 Holborn, London EC1N 2HU.

8 Debtors

	2017 £	2016 £
Amounts owed by group undertakings	**73,134,664**	75,253,552
Prepayments and accrued income	**1,771,396**	-
	74,906,060	75,253,552

Amounts owed by group undertakings are unsecured and have no fixed date of repayment. Interest is charged at a rate of 7.5%.

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	**45,540,841**	46,560,698
Bank loan	**1,104,427**	1,256,743
Accruals and deferred income	**1,971,645**	90,409
	48,616,913	47,907,850

Amounts owed to group undertakings are unsecured and have no fixed date of repayment. Interest is charged at a rate of 7.5%.

Notes to the financial statements (continued)
For the year ended 30 April 2017

10 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loan	**28,996,184**	29,031,664

The bank loan is shown net of loan costs of £121,840 (2016: £121,840) which are amortised over the life of the loan. Amortisation charged in the year was £5,579 (2016: £2,721). The gross value of the bank loan due after more than one year is £29,109,724 (2016: £29,150,783).

Bank loans are payable as follows:

	2017 £	2016 £
Less than one year	**1,104,427**	1,256,743
Between one and two years	**1,387,148**	1,102,577
Between two and five years	**4,407,178**	4,258,270
More than five years	**23,315,398**	23,789,936
	30,214,151	30,407,526

Bank loans are secured on the assets of the group, interest is charged at an indexed linked rate of 1.776% plus inflation.

11 Called up share capital

	2017 £	2016 £
Allotted, called-up and fully paid		
50,048 (2016: 50,048) ordinary shares of £0.10 each	**5,005**	5,005

Notes to the financial statements (continued)
For the year ended 30 April 2017

12 Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with related parties. The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with fellow subsidiaries under common ownership. There are no other related party transactions noted in the year.

13 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Lightsource Kingpin 2 Limited. The company's ultimate parent undertaking and controlling party is Lightsource Renewable Energy Investments Limited which consolidates these financial statements. The consolidated financial statements are available from the following address: 7th Floor, 33 Holborn, London, EC1N 2HU.

14 First time adoption of FRS 102

This is the first year that the company has presented its results under FRS 102 Section 1A. The last financial statements under the previous accounting framework, UK GAAP, were for the period ended 30 April 2016. The date of transition to FRS 102 was 28 August 2015. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have no impact on equity or profit or loss.