

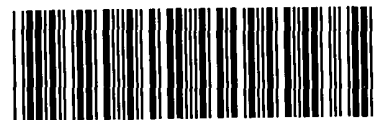
**Hale Farm Solar Limited**

**FINANCIAL STATEMENTS**

**for the period from incorporation to 30th September 2015**

**Company Number 09308997**

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16/12/2016

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COMPANIES HOUSE

# **Hale Farm Solar Limited**

## **Company Information**

**Directors**                **P Rafferty**  
                                 **C Reid**

**Company Number**       **09308997**

**Registered Office**       **Edgeborough House**  
                                 **Upper Edgeborough Road**  
                                 **Guildford**  
                                 **England**  
                                 **GU1 2BJ**

# **Hale Farm Solar Limited**

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# Hale Farm Solar Limited

## Directors' Report

### For the period from Incorporation to 30th September 2015

The directors present their report and financial statements for the period from incorporation of the company on 13th November 2014 to 30th September 2015. This is the first trading period.

### Principal Activities

The principal activity of the company is the production of solar generated renewable energy.

### Review of the Business

The directors consider the results of the reporting period to be satisfactory.

### Directors

The following directors have held office during the period:

P Raftery	Appointed 8th March 2016
C Reid	Appointed 8th March 2016
A Yazdabadi	Appointed 20th February 2015, Resigned 8th March 2016
A Newman	Appointed 9th March 2015, Resigned 8th March 2016
P Adams	Appointed 13th November 2014, Resigned 6th May 2015
K Hick	Appointed 13th November 2014, Resigned 20th February 2015

### Approval

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

### Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

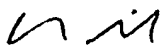
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 and 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This report was approved by the Board on 16 / 12 / 16 and signed on its behalf by



C Reid  
Director

## **Hale Farm Solar Limited**

### **Independent auditor's report to the members of Hale Farm Solar Limited**

We have audited the financial statements of Hale Farm Limited for the period ended 30 September 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 Financial Reporting Standard 102 section 1a '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's (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](http://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 30 September 2015 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.

#### **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.

## **Hale Farm Solar Limited**

### **Independent auditor's report to the members of Hale Farm Solar 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 prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Marc Reinecke (senior statutory auditor)  
for and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

16 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Hale Farm Solar Limited

## Statement of comprehensive income

for the period ended 30th September 2015

Period ended  
30th September 2015

	Note	£
Turnover	1,2	410,683
Cost of sales		(335,978)
Gross profit		<hr/> 74,705
Administrative Expenses		(115,551)
Operating Loss		<hr/> (40,846)
Loss on ordinary activities before taxation		<hr/> (40,846)
Tax on profit on ordinary activities		-
Total comprehensive loss for the financial period attributable to the company		<hr/> <hr/> (40,846)

The notes on pages 9 to 11 form part of these financial statements

# Hale Farm Solar Limited

## Statement of Financial Position

30th September 2015


	Note	£	£
<b>Fixed Assets</b>			
Intangible assets	6		86,900
<b>Current Assets</b>			
Debtors	7	5,388,499	
Cash at Bank		-	
		<u>5,388,499</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(5,516,244)</u>	
<b>Net Current Liabilities</b>			<u>(127,745)</u>
<b>Total Assets less Current Liabilities</b>			<u></u>
<b>Net Liabilities</b>			<u>(40,845)</u>
<b>Capital and reserves</b>			
Called up Share Capital	9		1
Profit and Loss account			<u>(40,846)</u>
<b>Shareholders' Funds</b>			<u>(40,845)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 9 to 11 form part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on

16/12/16



C Reid  
Director  
Hale Farm Solar Limited  
09308997



# Hale Farm Solar Limited

## Statement of changes in Equity

	Share capital £	Profit and loss account £	Total equity £
Share capital issued on incorporation	1	-	1
Comprehensive income for the period	-	(40,846)	(40,846)
	<hr/>	<hr/>	<hr/>
Period ended 30 September 2015	1	(40,846)	(40,845)
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 11 form part of these financial statements

# Hale Farm Solar Limited

## Notes to the financial statements

for the period ended 30th September 2016

### 1 Accounting Policies

#### 1.1 Accounting Convention

The financial statements are prepared in accordance with FRS102 section 1A Small Entities.

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. Hale Farm 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 Company management to exercise judgement in applying the Company's accounting policies.

Information on the impact of first time adoption of Section 1A Small Entities in FRS 102 is given in note 2.

#### *Going concern*

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £177k, 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.

#### 1.2 Revenue

Revenue represents sales of electricity and revenues from ROCs and LECs, net of any applicable Value Added Tax.

#### 1.3 Cashflow

The company has not prepared a cash flow statement as it qualifies as a small company under the Companies Act 2006 and as such has taken the exemption conferred under FRS Cash Flow Statements and the small companies regime.

#### 1.4 Intangible fixed assets

All intangible fixed assets are stated at cost less amortisation. Such costs include costs directly attributable to the asset.

#### *Amortisation*

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

Solar Plant - 4% per annum

#### 1.5 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.

#### 1.6 Financial assets and liabilities

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.

# Hale Farm Solar Limited

## Notes to the financial statements

for the period ended 30th September 2016

### 2 First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS102 and have not impacted on equity or profit or loss.

### 3 Analysis of turnover

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

### 4 Operating loss

This is arrived at after charging:  
Operating lease payments  
Audit fees

Period ended  
30th September 2016  
£  
47,899  
5,000

### 5 Taxation on profit on ordinary activities

UK corporation tax

Period ended  
30th September 2016  
£

Loss on ordinary activities before tax

40,846

Loss on ordinary activities at the standard rate of  
corporation tax 20.75%

8,476

Deferred tax asset not recognised

(8,476)

The company has not recognised a deferred tax asset in respect of the losses carried forwards of £8,476.

### 6 Intangible fixed assets

Solar plant and  
equipment  
£

Cost or valuation  
Additions

86,900

At 30 September 2015

86,900

Amortisation  
charge for period

At 30 September 2015

0

Net book value

At 30 September 2015

86,900

# Hale Farm Solar Limited

## Notes to the financial statements

for the period ended 30th September 2015

### 7 Debtors

Period ended  
30th September 2015  
£

Amounts due from parent company  
Other debtors

5,337,022  
51,477  
5,388,499

### 8 Creditors: amounts falling due within one year

Period ended  
30th September 2015  
£

Trade creditors  
Accruals  
Short term loans payable

58,024  
5,000  
5,453,220  
5,516,244

### 9 Share Capital

Period ended  
30th September 2015  
£

Ordinary Shares of £1 each - authorised, called, allotted and unpaid

1  
1

### 10 Related party transactions

Within short term loans is an amount due to Chamberlayne Farms limited of £150k, during the period £3k interest was accrued. The company has taken advantage of the exemptions provided by FRS102 paragraph 33.1A and not disclosed the transactions with group undertakings where 100% of the voting rights are controlled within the group.

### 11 Control

At the period end the immediate parent entity of the company was UK Solar (Hale Farm) LLP. The company had no ultimate controlling party at that time.

### 12 Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Period ended  
30th September 2015  
£

- within one year  
- between one and five years  
- after five years

68,145  
272,580  
1,350,018

1,690,743

### 13 Post balance sheet events

On 8th March 2016 the entire share capital of the company was acquired by RI UK Solar Holdings Limited.

The Board of Directors  
The Directors  
NSD 2 Limited  
12 Throgmorton Avenue  
London  
EC2N 2DL

30 September 2016

Dear Sirs

**NSD 2 Limited**  
**Audit of financial statements for the year ended 31 December 2015**

The purpose of this letter is to ensure that there is mutual understanding of the respective responsibilities relating to the audit of the financial statements of NSD 2 Limited. Further purpose is to provide you with an overview of the planned scope of the audit for the year ended 31 December 2015 to ensure that the areas of potential risk of material misstatement which we have identified are consistent with the areas which you perceive to be the key areas and to promote effective two-way communication between us.

In addition, we are required by ISAs (UK & Ireland) to communicate certain matters to you in connection with our audit.

**Respective responsibilities in relation to the audit of the financial statements**

Our responsibilities, as auditors, in relation to the audit of the financial statements are as set out in the audit engagement letter dated 30 September 2016.

We are responsible for forming and expressing an opinion on the financial statements that have been prepared by you.

The audit of financial statements does not relieve you of your responsibilities.

**Engagement partner**

I am the engagement partner and am the person in the firm who is responsible for the audit engagement and its performance and for the report that will be issued on behalf of the firm.

**Planned scope of the audit**

We will plan and perform procedures designed to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, thereby enabling us to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Our approach to the audit is risk based. We will obtain an understanding of the entity and of the environment in which it operates, including the entity's internal control and this, together with information obtained from discussions with management, provides a basis for identifying and assessing the risks of material misstatement.

## **Fraud**

We have discussed possible risk of material misstatement arising from fraud with John Philpott who has confirmed that he is not aware of any actual, suspected or alleged instances of fraud during the financial period or subsequently.

Please let us know if there are any actual, suspected or alleged instances of fraud of which you are aware.

## **Risk**

We have identified the following areas of significant risk:

- **Management override of controls** - ISA (UK & Ireland) 240 requires us to presume that the risk of management override of controls is present and significant in all entities. We are required to respond to this risk by testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We will review accounting estimates for evidence of possible bias and will obtain an understanding of the business rationale for significant transactions that are outside the normal course of business for the entity or that otherwise appear to be unusual. We are also required to consider the need to perform other additional procedures to respond to the identified risk of management override of controls.
- **Carrying value of investment** - The company has an investment in UK Solar (Lower Newton) LLP which is a company that produces solar generated renewable energy. We need to consider management's assessment as to the recoverability of the investment made. We will review current trading performance of the investment entity and future outlook of the subsidiary to assess if there are any indicators of impairment.
- **Revenue Recognition** - ISA (UK & Ireland) 240 *The auditor's responsibilities in relation to fraud in an audit of financial statements* requires us to presume that there are risks of fraud in revenue recognition. These risks may arise from the use of inappropriate use of estimates in calculating revenue. As a consequence our audit work will be designed to focus on these areas.

If you consider there to be other significant risks of material misstatement in the financial statements, whether due to fraud or error, please let us know.

We have also identified the following issues which are not deemed to be significant risks however have been considered in more detail as part of the planning process.

- **Going Concern** - Management are required to prepare accounts on a going concern basis, which means it has sufficient cash to meet its liabilities as they fall due for a period of at least 12 months from the date of signing the accounts. We will assess the forward cashflows prepared by management, and assess the cash requirements over the next 18 months both looking at committed and non committed expenditure, we will consider any contract signed at the year end as well as funding arrangements available to the group and the revenue forecasts.

## **FRS 102**

In the UK the accounting standards have changed, with the view to bring them more in line with International Financial Reporting Standards ('IFRS'). These new accounting standards known as the new UK GAAP is now in force for accounting periods commencing from 1 January 2015. This could involve certain items being accounted for differently compared to the 'old' UK GAAP and this will have to be applied to comparative figures. In addition new UK GAAP requires additional disclosures. This transition may require a transitional balance sheet to be prepared for 31 December 2014 as well as a review of the accounting for 2015 as previously stated.

Although the transition to FRS 102 will change the presentation of the financial statements, our initial assessment has not identified any areas where restatement of comparative figures or changes in accounting policies will be required.

#### **Internal control**

As part of our audit we obtain an understanding of the entity's system of internal control sufficient to plan the audit. We assess the adequacy of the design of specific controls that respond to significant risks of material misstatement and evaluate whether those controls have been implemented. Where we intend to place reliance on particular controls for the purposes of our audit, we will carry out procedures to test the operating effectiveness of those controls and use the results of those procedures to determine the nature, timing and extent of further audit procedures to be performed. However, in line with many organisations of a similar size, we note that there is the potential for management override and limited segregation of duties in some cases which may mean that we are unable to rely on controls in place. Accordingly our audit will be mainly substantive in approach.

#### **Materiality**

Materiality is the expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. In carrying out our work we will apply an appropriate level of materiality and as such the audit cannot be relied upon to identify all potential or actual misstatements.

#### **Communication**

During the course of our work, we will communicate to you relevant matters relating to the audit of the financial statements. We will communicate matters of governance interest that have come to our attention as a result of the performance of the audit. The audit is not designed to identify all matters that may be relevant to you.

Communication may take the form of discussions or, where appropriate, be in writing.

If we identify significant deficiencies in internal control, we will communicate such deficiencies to you, in writing, as soon as is practicable.

Our contact for communications will be John Philpott and the Board of Directors. When communicating with John Philpott and the Board of Directors we will consider all individuals representing those charged with governance as informed and our responsibilities for communicating relevant matters will be discharged.

#### **Findings from the audit**

We will communicate the following matters to you, where applicable:

- Significant deficiencies in internal control identified during the audit
- Significant qualitative aspects of the entity's accounting practices including the application of the applicable financial reporting framework
- Significant matters discussed, or subject to correspondence with management or other employees
- Uncorrected misstatements (see below)
- Material misstatements that have been corrected by management
- Other significant matters relevant to the financial reporting process
- Material uncertainties relating to going concern
- Written representations that we are requesting from you or from other parties
- Expected modifications to the opinion or emphasis of matter (or other matter) paragraphs in the auditor's report
- Significant difficulties that we have encountered during the course of the audit

**Uncorrected misstatements**

We will report to you all uncorrected misstatements that relate to the current financial year (including those arising in previous periods that have an effect on the current year financial statements) and the effect that they have individually, or in aggregate, on the opinion in the auditor's report except for those that are clearly trivial. For reporting purposes, we consider misstatements of less than £140 to be trivial, unless the misstatement is indicative of fraud.

We will identify material uncorrected misstatements individually. We will request that any uncorrected misstatements be corrected.

**Auditor independence**

We confirm that we comply with the Financial Reporting Council's Ethical Standards for Auditors and have policies and procedures as a firm to ensure we maintain objectivity and independence in audit work. These include written procedures, policies in respect of providing non-audit services, rules regarding financial, business and employment relationships with audit clients, the requirement to rotate partners and staff in certain instances or to have an independent review.

We are satisfied that our policies and procedures provide sufficient assurance of our objectivity with regard to the audit. We have considered all relationships between ourselves, our affiliates, yourselves and NSD 2 Limited and have not identified any threats to our independence.

**Use of information**

This information in this letter is provided on the basis that it is intended for your use only and that it will not be quoted or referred to, in whole or in part, without our prior written consent.

**Acknowledgement**

We should be grateful if you would sign the acknowledgement form attached to the enclosed copy of this letter and return it to us. Where there are additional fraud or risk matters of which you are aware please amend the acknowledgement accordingly and provide further details.

Yours faithfully,

Marc Reinecke  
Partner  
For and on behalf of BDO LLP



## ACKNOWLEDGEMENT

We confirm that we have read and understood the contents of this letter, dated 3 October 2016.

We confirm that the directors are not aware of any actual or suspected instances of fraud.

As directors we do not consider there to be any significant risks of material misstatement in the financial statements other than those referred to in the letter.

As directors of the company we acknowledge and understand our responsibilities:

- a) for the preparation of the financial statements in accordance with the applicable financial reporting framework;
- b) for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error and;
- c) to provide you with access to all information of which the directors are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters, additional information that you may request from directors for the purposes of the audit and unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence

Signed ..... Date 16 / 12 / 16

Name CHAALAG AGJ ..... (Please print)

For and on behalf of the Board of directors of SJD Free Solar (UK) 1 Limited  
Director