

Financial Statements

UK Solar Parks Limited

For the Year Ended 31 December 2016

Registered number: 07286021



UK Solar Parks Limited

Company Information

Directors	MJ Cowell H W J Hanna S Lowry
Company secretary	TMF Corporate Administration Services Limited
Registered number	07286021
Registered office	5th Floor 6 St. Andrew Street London EC4A 3AE
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South Oxford Oxfordshire OX4 2WB

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Directors' Report

For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Results and dividends

The loss for the year, after taxation, amounted to £79,834 (2015 - loss £23,371).

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Directors

The directors who served during the year were:

MJ Cowell
H W J Hanna
S Lowry

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report (continued)

For the Year Ended 31 December 2016

Going concern

The accounts have been prepared on a going concern basis. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

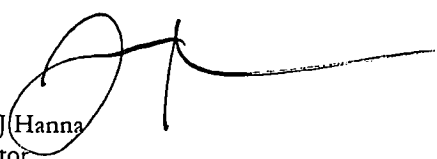
Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small Companies Note

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

This report was approved by the board on 9 Mar 2017 and signed on its behalf.


H W J Hanna
Director



Independent Auditor's Report to the Members of UK Solar Parks Limited

We have audited the financial statements of UK Solar Parks Limited for the year ended 31 December 2016, 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 the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Directors' responsibilities statement on page 1, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 2016 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.



Independent Auditor's Report to the Members of UK Solar Parks Limited (continued)

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

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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 the requirement to prepare a in preparing the Directors' report.

Grant Thornton UK LLP

Tracey James (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Oxford

Date: 17 May 2017

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		754,176	794,324
Administrative expenses		(398,740)	(397,494)
Operating profit	4	355,436	396,830
Interest receivable and similar income	7	501	500
Interest payable and expenses	8	(409,575)	(420,701)
Loss on ordinary activities before taxation		(53,638)	(23,371)
Tax on loss on ordinary activities	9	(26,196)	-
Loss for the financial year		(79,834)	(23,371)
Total comprehensive loss for the year		(79,834)	(23,371)

The notes on pages 8 to 17 form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	5,603,677	5,867,379
Current assets			
Debtors	11	161,081	149,042
Cash at bank	12	107,222	99,317
		<u>268,303</u>	<u>248,359</u>
Creditors: amounts falling due within one year	13	(86,013)	(34,080)
Net current assets		<u>182,290</u>	<u>214,279</u>
Total assets less current liabilities		<u>5,785,967</u>	<u>6,081,658</u>
Creditors: amounts falling due after more than one year	14	(5,513,974)	(5,756,027)
Deferred tax		(26,196)	-
		<u>(26,196)</u>	<u>-</u>
Net assets		<u><u>245,797</u></u>	<u><u>325,631</u></u>
Capital and reserves			
Called up share capital	17	3	3
Share premium account		402,149	402,149
Profit and loss account		(156,355)	(76,521)
Shareholders' funds		<u><u>245,797</u></u>	<u><u>325,631</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 May 17

H W J Hanna
Director

The notes on pages 8 to 17 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	3	402,149	(76,521)	325,631
Total comprehensive loss for the year	-	-	(79,834)	(79,834)
At 31 December 2016	<u>3</u>	<u>402,149</u>	<u>(156,355)</u>	<u>245,797</u>

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	3	402,149	(53,150)	349,002
Total comprehensive loss for the year	-	-	(23,371)	(23,371)
At 31 December 2015	<u>3</u>	<u>402,149</u>	<u>(76,521)</u>	<u>325,631</u>

The notes on pages 8 to 17 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

UK Solar Parks Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at 5th Floor, 6 St. Andrew Street, London, EC4A 3AE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of McEwan Solar Topco (1) Limited as at 31 December 2016 and these financial statements may be obtained from Companies House.

2.3 Going concern

The accounts have been prepared on a going concern basis. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

2.4 Turnover

Turnover comprises income receivable from the energy generated during the period. Any uninvoiced income is accrued in the period in which it has been generated.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Other fixed assets	-	4% straight line
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Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.6 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.9 Interest payable

Interest payable is solely attributable to the inter-company balances held during the period.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgements that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Deferred taxation

The assessment of the probability of future taxable income against which deferred tax assets can be utilised is based on the Group's latest budget and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be used without a time limit, that deferred tax asset is usually recognised in full.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

4. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	263,702	263,703
Other operating lease rentals	37,039	36,715
	<u>263,702</u>	<u>263,703</u>

5. Auditor's remuneration

	2016	2015
	£	£
Auditor's remuneration	2,237	2,000
Auditor's remuneration - non-audit	1,495	1,442
	<u>2,237</u>	<u>1,442</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2015 - 0).

7. Interest receivable

	2016 £	2015 £
Other interest receivable	501	500

8. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	72	87
Loans from group undertakings	409,503	420,614
	409,575	420,701

9. Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	26,196	-
Total deferred tax	26,196	-

The company has no tax liability for the period and there are tax losses of approximately £210,858 (2015: £183,901) available to carry forward. The company has not recognised a deferred tax asset in respect of any losses available to carry forward due to there being insufficient certainty regarding its recovery.

Notes to the Financial Statements

For the Year Ended 31 December 2016

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(10,728)	(4,733)
Effects of:		
Expenses not deductible for tax purposes	17,537	-
Deferred tax not recognised	(6,781)	4,733
Other differences leading to an increase (decrease) in the tax charge	1	-
Group relief	26,167	-
Total tax charge for the year	26,196	-

10. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 January 2016	6,592,561
At 31 December 2016	6,592,561
Depreciation	
At 1 January 2016	725,182
Charge for the period on owned assets	263,702
At 31 December 2016	988,884
Net book value	
At 31 December 2016	5,603,677
At 31 December 2015	5,867,379

Notes to the Financial Statements

For the Year Ended 31 December 2016

11. Debtors

	2016 £	2015 £
Trade debtors	14,142	61,544
Amounts owed by group undertakings	25,000	25,000
Prepayments and accrued income	121,939	62,498
	<u>161,081</u>	<u>149,042</u>

12. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	107,222	99,317
	<u>107,222</u>	<u>99,317</u>

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	7,229	7,153
Amounts owed to group undertakings	19,435	13,459
Other taxation and social security	54,145	9,136
Other creditors	5,204	4,332
	<u>86,013</u>	<u>34,080</u>

14. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	5,513,974	5,756,027
	<u>5,513,974</u>	<u>5,756,027</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

15. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	254,538	234,714
	<u>254,538</u>	<u>234,714</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(5,545,842)	(5,780,971)
	<u>(5,545,842)</u>	<u>(5,780,971)</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors, amounts receivable from group undertakings, and accrued income.

Financial liabilities measured at amortised cost comprise trade and other payables, amounts payable to group companies, and accruals.

16. Deferred taxation

	2016 £
Charged to profit or loss	(26,196)
At end of year	<u>(26,196)</u>

The deferred taxation balance is made up as follows:

	2016 £
Accelerated capital allowances	(26,196)
	<u>(26,196)</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
3,000 Ordinary shares of £0.001 each	3	3

18. Contingent liabilities

At the year end there was a contingent liability by virtue of the fact that a bank loan held by McEwan Solar Holdco (1) Limited is secured by a fixed and floating charge over the assets of this company. At the year end the value of the bank loan was £27,244,990 (2015: £28,592,975). This loan is split between two balances, £22,439,567 and £4,805,422 (2015: £22,435,800 and £6,157,175), which are charged at an interest rate of 5.05% and 4.03%, respectively.

19. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	34,982	34,982
Later than 1 year and not later than 5 years	139,928	139,928
After more than 5 years	717,131	752,113

20. Related party transactions

The only related party transactions were with other wholly owned group companies. Disclosure of these transactions is not required under the Financial Reporting Standard for Smaller Entities (effective January 2015).

21. Controlling party

UK Solar Park Limited is a wholly owned subsidiary of McEwan Skylark Holdco Limited, a company incorporated in England and Wales.

The directors consider the Ultimate Parent Undertaking to be McEwan Solar Lux SARL, a company incorporated in Luxembourg, as the head of a group within which UK Solar Parks Limited is a part.

UK Solar Parks Limited

Notes to the Financial Statements

For the Year Ended 31 December 2016

22. First time adoption of FRS 102

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