Registered number: 08639521

WELLINGBOROUGH SOLAR LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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WELLINGBOROUGH SOLAR LIMITED

COMPANY INFORMATION

Directors	Ross Grier (resigned 31 July 2017) Juliet Guerri Sulwen Vaughan (appointed 31 July 2017)
Registered number	08639521
Registered office	5th Floor North Side 7-10 Chandos Street Cavendish Square London W1G 9DQ
Accountants	Augentius (UK) Limited Two London Bridge London SE1 9RA
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN

WELLINGBOROUGH SOLAR LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the audited financial statements of Wellingborough Solar Limited ("the Company") for the year ended 31 March 2017.

Business review and principal activities

The principal activities of the Company are the development of solar photovoltaic ("Solar PV") projects and the generation and supply of electricity from a solar photovoltaic site. Specifically, this involves feasibility and planning in terms of sourcing sites and grid access, licensing and permitting procedures, technology selection and system design, working with funding partners to structure equity and debt finance, the supervision of system construction and implementation, and the supervision of operations, maintenance, site security and administration.

The Company is committed to project implementation excellence, the provision of long term clean energy projects, environmentally sensitive developments for the local community, and long term sustainable returns to investors.

The Company is exposed to a variety of financial and operational risks as detailed in Note 15 of the notes to the financial statements.

Future developments

The directors have no planned developments and have a reasonable expectation that the Company will continue operating in the foreseeable future. For the detailed assessment refer to page 10.

Results and dividends

The profit for the year, after taxation, amounted to £144,254 *(2016: profit of £645,548)*.

No dividends were paid and/or declared during the year (*2016: £nil*).

Political donations and political expenditure

The Company did not make any disclosable political donations and political expenditure in the current year.

Financial instruments

Refer to Note 15 for details of the Company's financial management objectives and policies; and its exposure to price risk, credit risk and liquidity risk.

Directors

The directors who served during the year, and up to the date of signing the financial statements unless otherwise stated were:

Ross Grier (resigned 31 July 2017)
Juliet Guerri
Sulwen Vaughan (appointed 31 July 2017)

There were no changes in shareholdings between 31 March 2017 and the date of signing the financial statements. Refer to Note 18 for more details.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Qualifying third-party and pension scheme indemnity provisions

The Company did not have any qualifying third-party indemnity provision and/or qualifying pension scheme indemnity provision for any of the directors, during the financial year and at the date of approval of the directors' report.

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' ("FRS 102") 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board on 28th September 17 and signed on its behalf.

Sulwen Vaughan
Director

Independent auditors' report to the members of Wellingborough Solar Limited

Report on the financial statements

Our opinion

In our opinion, Wellingborough Solar Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit and cash flows 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.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows 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" and applicable law (United Kingdom Generally Accepted Accounting Practice).

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.

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 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 Directors' Responsibilities Statement 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.

John Dashwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
29 September 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	*2016 £*
Revenue	2	**884,440**	*915,009*
Operating expenses		**(363,171)**	*(418,391)*
Depreciation	7	**(399,455)**	*(459,085)*
Operating profit	3	**121,814**	*37,533*
Interest receivable and similar income	5	**559**	*-*
Other income		**-**	*740,889*
Interest payable and similar expenses	5	**(30)**	*(374)*
Decommissioning interest	12	**(14,616)**	*(24,174)*
Profit on ordinary activities before taxation		**107,727**	*753,874*
Tax on ordinary activities	6	**36,527**	*(108,326)*
Profit for the year after taxation		**144,254**	*645,548*

The notes on pages 10 to 26 form part of these financial statements.

The Company has no recognised gains or losses other than the profit for the year. The results for the year have been calculated on an historical cost basis. The Company's revenue and expenses all relate to continuing operations.

WELLINGBOROUGH SOLAR LIMITED
REGISTERED NUMBER: 08639521

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	31 March 2017 £	*31 March 2016 £*
Fixed assets			
Tangible assets	7	**8,023,330**	*8,422,785*
		8,023,330	*8,422,785*
Current assets			
Debtors: amounts falling due within one year	8	**259,344**	*245,622*
Cash and cash equivalents	9	**404,138**	*422,124*
		663,482	*667,746*
Creditors: amounts falling due within one year	10	**(7,448,795)**	*(8,011,384)*
Net current liabilities		**(6,785,313)**	*(7,343,638)*
Total assets less current liabilities		**1,238,017**	*1,079,147*
Provisions			
Provisions for liabilities and charges	12	**(669,114)**	*(654,498)*
Net assets		**568,903**	*424,649*
Equity			
Called-up share capital	18	**920,644**	*920,644*
Other reserves		**(92,064)**	*(92,064)*
Accumulated losses		**(259,677)**	*(403,931)*
Shareholders' surplus		**568,903**	*424,649*

The Company's financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements on pages 6 to 26 were authorised for issue by the board of directors on 28th September 2017 and were signed on its behalf.

Sulwen Vaughan
Director

The notes on pages 10 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called-up share capital	Other reserves	Accumulated losses	Total shareholders' surplus
	£	£	£	£
At 1 April 2015	**920,644**	**(92,064)**	**(1,049,479)**	**(220,899)**
Profit for the year	-	-	645,548	645,548
At 31 March 2016	**920,644**	**(92,064)**	**(403,931)**	**424,649**
Profit for the year	-	-	144,254	144,254
At 31 March 2017	**920,644**	**(92,064)**	**(259,677)**	**568,903**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	*2016* *£*
Cash flows from operating activities		
Profit for the year	**144,254**	*645,548*
Adjustments for:		
Depreciation	**399,455**	*459,085*
Interest paid	**30**	*374*
Interest received	**(559)**	*-*
Tax on profit	**(36,527)**	*108,326*
Increase/(decrease) in debtors	**(13,722)**	*817,288*
Increase in creditors	**39,354**	*201,627*
Decommissioning interest	**14,616**	*24,174*
Corporation tax received	**108,328**	*-*
Net cash generated from operating activities	**655,229**	*2,256,422*
Cash flows from investing activities		
Purchase of tangible assets	**-**	*(883,658)*
Interest received	**559**	*-*
Net cash generated from / (used in) investing activities	**559**	*(883,658)*
Cash flows from financing activities		
Repayment of loans	**-**	*(1,211,423)*
Loans from group companies repaid	**(673,744)**	*-*
Interest paid	**(30)**	*(374)*
Net cash used in financing activities	**(673,774)**	*(1,211,797)*
Net (decrease) / increase in cash and cash equivalents	**(17,986)**	*160,967*
Cash and cash equivalents at the beginning of the year	**422,124**	*261,157*
Cash and cash equivalents at the end of the year	**404,138**	*422,124*
Cash and cash equivalents consist of:		
Cash	**404,138**	*422,124*
	404,138	*422,124*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

General information

Wellingborough Solar Limited (the "Company") was incorporated with limited liability in England & Wales under the Companies Act 2006, on 6 August 2013 with registered number 08639521. The registered office and principal place of business of the Company is 5th Floor North Side, 7-10 Chandos Street, Cavendish Square, London, W1G 9DQ.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on page 17.

1.2 Going concern

The directors believe that the Company is well placed to manage its business risks successfully. Having reviewed the Company's current position and given the continued financial support provided by the ultimate parent company, NextEnergy Solar Fund Limited, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the directors' report and financial statements. The financial support will be made available for a period of not less than 12 months from the date of signing these financial statements. The directors have received confirmation of this support.

1.3 Exemptions under Companies Act

The Company has also adopted the following disclosure exemptions:
Strategic Report: Companies Act Strategic Report exemption for small companies.

1.4 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 years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

1.5 Revenue recognition

Revenue represents monies from the generation of energy from operational solar parks during the year. Any uninvoiced revenue is accrued in the year in which it has been generated.

Revenue is stated net of value added tax and is generated entirely within the United Kingdom.

1. Accounting policies (continued)

Revenue relating to income for ROC

The number of Renewable Obligation Certificates ("ROC") are calculated each month based on the net number of megawatts of power exported. The ROC price is fixed for each Compliance Period which runs from 1 April to 31 March and is published in advance by Ofgem. Management has adopted the policy of recognising ROC revenue monthly, based on the price for the relevant compliance period.

Revenue relating to income for Purchase Price Agreement ("PPA")

The PPA revenue is paid by licensed electricity companies who offer a long-term contract known as PPA which can run from twelve months to ten years or more. PPA revenue is calculated each month based on the megawatts of power exported multiplied by the price guaranteed under the PPA for all electricity produced for the period of the relevant contract.

1.6 Tangible assets

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Solar PV Equipment	-	4%	Straight line
Inverters	-	10%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

1. Accounting policies (continued)

1.6 Tangible assets (continued)

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income and included in 'Other operating (losses)/gains'.

1.7 Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

1.8 Cash and cash equivalents

Cash and cash equivalents are mainly cash at bank.

1.9 Impairment of non-financial assets

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset 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 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 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 statement of comprehensive income, 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 statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset 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 statement of comprehensive income.

1. **Accounting policies (continued)**

1.10 Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

In particular, provisions for decommissioning costs are recognised when the Company has an obligation to dismantle and remove the Solar PV equipment and to restore the land on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements. A corresponding tangible asset equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure is added to or deducted from the cost of the assets to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted for as appropriate.

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

1.11 Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of the financial instruments.

Financial instruments recognised on the statement of financial position include trade and other debtors, cash at bank, trade and other creditors and other financial assets/liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset or financial liability. Subsequent measurement and impairment for each classification is specified in the sections below.

1. **Accounting policies (continued)**

Financial assets

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell a financial asset. Debtors reflected on the statement of financial position are net of any allowance(s) for uncollectible amounts.

A financial asset, or a portion of a financial asset, is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred the rights to receive cash flows from the asset and either:
  - i. has transferred substantially all the risks and rewards of the assets; or
  - ii. has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

The Company's financial assets are reviewed at each reporting date, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

Assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred, it is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

1. Accounting policies (continued)

Financial liabilities

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are de-recognised as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest amortisation is included as finance costs in the statement of comprehensive income.

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 Company after deducting all of its liabilities. Any instrument that includes a repayment obligation is classified as a liability.

Where the contractual liabilities of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities, and are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Where the contractual terms of share capital do not have any features meeting the definition of a financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1. Accounting policies (continued)

1.12 Taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the period and is calculated using the tax rates and laws that have been enacted or substantially enacted at the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Management assess the recoverability of deferred tax assets as and when they arise and will recognise any such assets if they are deemed recoverable.

1.13 Equity

Equity comprises the following:

- "Called-up Share Capital" represents the nominal value of ordinary equity shares. Incremental costs attributable to the issue of new ordinary equity shares are shown in equity as a deduction, net of tax, from the proceeds.
- "Accumulated losses" include all current results as disclosed in the statement of comprehensive income.

1.14 Foreign currency

The Company's functional and presentation currency is the pound sterling. There are no foreign currency transactions and balances.

1. **Accounting policies (continued)**

1.15 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts for assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The most critical accounting policies and estimates in determining the financial condition and results of the Company are those requiring a greater degree of subjective or complete judgement. These are discussed below:

Decommissioning costs
As part of the measurement and recognition of assets and liabilities in the period, the Company has recognised a provision for decommissioning obligations associated with the solar park. In determining the present value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 31 March 2017 was £669,114 (31 March 2016: £654,498). The interest rate applied was 2.24%.

Deferred tax
Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the net effect of future tax planning strategies.

Revenue relating to the income for ROC
The number of Renewable Obligation Certificates ("ROC") are calculated each month based on the net number of mega-watts of power exported. The ROC price is fixed for each Compliance Year which runs from 1 April to 31 March and is published in advance by Ofgem. Management has adopted the policy of recognising ROC revenue monthly, based on the price for the relevant compliance period.

Revenue relating to income for PPA
The PPA revenue is paid by licensed electricity companies who offer a long-term contract known as a PPA which can run from twelve months to ten years or more. PPA revenue is calculated each month based on the megawatts of power exported multiplied by the price guaranteed under the PPA for all electricity produced for the period of the relevant contract.

2. **Revenue**

The whole of the Company's revenue is attributable to its market in the United Kingdom and is derived from the principal activity of the generation and supply of electricity from a photovoltaic site, and the associated ROCs and PPA as outlined within the accounting policies.

All revenue arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	399,455	459,085
Lease costs	35,959	35,242
Asset management fees	43,169	98,620
Professional fees	-	13,330

NextEnergy Solar Holdings Limited will pay the audit fee of £7,000 relating to the audit of the financial statements for the year ended 31 March 2017 (year ended 31 March 2016: £7,000) on behalf of the Company.

4. Remuneration of the directors

The remuneration of the directors was £nil for the financial year (year ended 31 March 2016: £nil).

5. Finance income and expenses

	2017 £	2016 £
Bank charges	30	374
Bank interest income	(559)	-
	(529)	374

6. Tax on profit on ordinary activities

	2017 £	*2016* *£*
Corporation tax		
Adjustments in respect of previous periods	**(36,527)**	*108,326*
	(36,527)	*108,326*
Total current tax	**(36,527)**	*108,326*
Deferred tax		
Total deferred tax	-	-
Tax on profit on ordinary activities	**(36,527)**	*108,326*

6. Tax on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% *(2016: 20%)*. The differences are explained below:

	2017 £	*2016* *£*
Profit on ordinary activities before taxation	**107,727**	*753,874*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	**21,545**	*150,775*
Effects of:		
Expenses not deductible for tax purposes	**3,038**	*8,183*
Capital allowances for year in excess of depreciation	**1,929**	*13,876*
Adjustments to tax charge in respect of prior periods	**(36,527)**	-
Adjustment of closing deferred tax to average rate of 20%	**1,760**	*277*
Adjustment of opening deferred tax to average rate of 20%	**(3,824)**	-
Deferred tax not recognised	**(24,448)**	*(64,785)*
Total tax (credit) / charge for the year	**(36,527)**	*108,326*

A potential deferred tax asset of £9,973 has been identified based on the cumulative tax losses of the Company of £106,118 and fixed asset timing differences of (£47,456). Management have made an assessment of the recoverability of this asset and have deemed it prudent not to recognise this amount within the financial statements, as it is their view that there is insufficient evidence to show it is probable that the Company will be able to benefit from the utilisation of the asset. This position will be reassessed in the following year.

6. Tax on profit on ordinary activities (continued)

Factors affecting current and future tax charges

Reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

A further rate reduction to 17%, effective from 1 April 2020, was announced on 16 March 2016. Whilst this will reduce the company's tax liability in future it has not been substantively enacted and so deferred tax has been calculated in line with the 18% rate.

7. Tangible assets

	Solar PV Equipment £	Inverters £	Total £
Cost			
At 1 April 2016	**8,711,209**	**512,614**	**9,223,823**
At 31 March 2017	**8,711,209**	**512,614**	**9,223,823**
Depreciation			
At 1 April 2016	**698,318**	**102,720**	**801,038**
Charge for the year	**348,236**	**51,219**	**399,455**
At 31 March 2017	**1,046,554**	**153,939**	**1,200,493**
Net book value			
At 31 March 2017	**7,664,655**	**358,675**	**8,023,330**
At 31 March 2016	*8,012,891*	*409,894*	*8,422,785*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. Debtors: amounts falling due within one year

	2017 £	2016 £
Trade debtors	-	44,893
VAT	-	529
Other debtors	17,198	17,198
Accrued income	189,179	125,578
Prepayments	52,967	57,424
	259,344	245,622

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank	404,138	422,124

10. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	61,922	101,246
Loans due to parent	6,524,567	7,064,952
Corporation tax	71,801	-
VAT	41,529	-
Accruals	748,976	845,186
	7,448,795	8,011,384

11. Financial liabilities

Analysis of the maturity of loans is given below:

	2017 £	*2016* *£*
Amounts falling due within one year		
Loans due to parent	**6,524,567**	*7,064,952*

Loans due to parent are interest-free and repayable on demand.

12. Provisions for liabilities and charges

	Decommissioning costs £
At 1 April 2016	**654,498**
Charged to statement of comprehensive income	**14,616**
At 31 March 2017	**669,114**

Please refer to the accounting policy, "Provisions and contingencies" for the basis on which the decommissioning provision has been calculated.

13. Financial instruments

	2017 £	2016 £
Financial assets		
Cash and cash equivalents	**404,138**	*422,124*
Trade and other debtors excluding prepayments	**206,377**	*188,198*
	610,515	*610,322*
Financial liabilities measured at amortised cost		
Trade and other creditors	**(852,426)**	*(946,432)*
Loans due to parent	**(6,524,567)**	*(7,064,952)*
	(7,376,993)	*(8,011,384)*
	(6,766,478)	*(7,401,062)*

14. Operating leases

The future minimum lease amounts payable under non-cancellable operating leases are as follow:

	2017 £	2016 £
Within one year	**36,678**	*35,242*
Between two and five years	**154,196**	*140,966*
In more than five years	**824,574**	*634,347*
	1,015,448	*810,555*

15. Financial risk management

The Company's principal financial assets and liabilities comprise debtors, cash at bank and creditors. The Company has exposure to the following risks from its use of financial instruments:

- Market risk, including commodity price, interest rate, inflation rate risks and foreign exchange risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for assessing and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk
The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The Company receives funding from the parent company from time to time.

Credit risk
The Company's policies are aimed at minimising losses as a result of a counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the Company are considered by management to be of appropriate credit rating. At each statement of financial position date, the Company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date are the carrying value of the credit balances if any.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its risk of a shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and liabilities.

Capital management
Management considers capital to consist of equity plus net debt as disclosed in the statement of financial position. The primary objective of the Company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The Company's financial instruments comprise cash and liquid resources and various items, such as debtors and creditors that arise directly from its operations. The Company's policy is to finance its operations through group borrowings. It is the Company's policy not to hold financial instruments for speculative purposes.

At 31 March 2017, the Company has amounts due to group undertakings. The fair value of creditors approximated to their book value. The Company had no financial assets other than cash at bank, trade and other debtors.

Refer to Note 11 for a table summarising the maturity of the Company's financial liabilities.

16. Capital commitments

The Company had no material capital commitments at 31 March 2017, other than what has been disclosed under Note 14, Operating Leases.

17. Related party transactions

Wellingborough Solar Limited is a wholly owned subsidiary of NextEnergy Solar Holdings Limited. At the reporting date the Company owed £6,282,494 (for the year ended 31 March 2016: £6,950,978) to NextEnergy Solar Holdings Limited in respect of payments made by NextEnergy Solar Holdings Limited.

NextEnergy Solar Holdings Limited charged the Company a management fee of £128,100 for the year ended 31 March 2017 (for the year ended 31 March 2016: £101,076). At the statement of financial position date the Company owed £242,073 (for the year ended 31 March 2016: £113,974).

WiseEnergy (Great Britain) Limited ("WiseEnergy") is a related party through mutual ownership by NextEnergy Solar Holdings Limited. During the year, the Company paid £51,803 (for the year ended 31 March 2016: £98,620) to WiseEnergy in respect of asset management services provided. At the year end £nil (for the period ended 31 March 2016: £nil) was owing to WiseEnergy in relation to the financial year ended 31 March 2017.

18. Called-up share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
9,206,440 Ordinary shares of £0.10 each	**920,644**	*920,644*

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

All share capital was fully paid at 31 March 2017.

19. Controlling interest

As at 31 March 2017 the immediate parent undertaking was NextEnergy Solar Holdings Limited.

The ultimate controlling party was NextEnergy Solar Fund Limited, a company incorporated in Guernsey with the registered office at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL; and is listed on the London Stock Exchange.

The ultimate and the immediate parent undertaking does not consolidate these financial statements as it meets the definition of an investment entity as described by IFRS 10. Under IFRS 10, investment entities are required to hold subsidiaries at fair value through the Statement of Comprehensive Income rather than consolidate them.

Copies of NextEnergy Solar Fund Limited financial statements are publicly available and can be obtained from the company's website.