

# Solarplicity AS Holdings Limited & Subsidiaries

Annual Report and Financial Statements

For the period ended 31 March 2017

THURSDAY



\*L6M7R79U\*

LD4

28/12/2017

#155

COMPANIES HOUSE

# Solarplicity AS Holdings Limited & Subsidiaries

## Company Information

---

|                          |                                                                                             |
|--------------------------|---------------------------------------------------------------------------------------------|
| <b>Directors</b>         | J A Clare<br>D S Elbourne<br>P Ezekiel<br>D Rogers                                          |
| <b>Company number</b>    | 09743321                                                                                    |
| <b>Registered office</b> | Unit 8 Peerglow Centre<br>Marsh Lane<br>Ware<br>Hertfordshire<br>United Kingdom<br>SG12 9QL |
| <b>Auditors</b>          | Kingston Smith LLP<br>4 Victoria Square<br>St Albans<br>Hertfordshire<br>AL1 3TF            |

---

# Solarplicity AS Holdings Limited & Subsidiaries

## Contents

---

|                                         | <b>Page</b> |
|-----------------------------------------|-------------|
| Strategic report                        | 1           |
| Directors' report                       | 2 - 3       |
| Independent auditors' report            | 4 - 5       |
| Statement of total comprehensive income | 6           |
| Group balance sheet                     | 7           |
| Company balance sheet                   | 8           |
| Group statement of changes in equity    | 9           |
| Company statement of changes in equity  | 10          |
| Consolidated statement of cash flows    | 11          |
| Notes to the financial statements       | 12 - 24     |

---

# Solarplicity AS Holdings Limited & Subsidiaries

## Strategic Report

For the period ended 31 March 2017

---

The directors present the strategic report and financial statements for the period ended 31 March 2017.

### **Fair review of the business**

Solarplicity AS Holdings Limited operates as a holding company. The Company's subsidiary companies' principle activities are the generation of electricity. The list of the Company's subsidiary companies and their principle activities are detailed in the notes to the financial statements.

The results for the Group show a pre-tax loss of £18,456,393 for the period and turnover of £12,220,969.

The directors of the Group are satisfied with the Group's performance, which was in line with expectations for the period.

### **Future Outlook**

The directors will continue to review the performance of the Group and to seek to capitalise on any opportunities that may arise. The directors will manage the business and explore changes available to enhance the overall group.

### **Principal risks and uncertainties**

The management of the business and the execution of the Group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Group are considered to be the uncertainties in the economy and any changes in legislation which could impact on the Group's trading performance. A competitive market place continues to exert pressure on the subsidiary companies.

### **Other performance indicators**

The directors and management consider critically all areas with a view to focus on the main Key Performance Indicator which is gross margin.

On behalf of the board



.....  
J A Clare

Director

31.08.17

# Solarplicity AS Holdings Limited & Subsidiaries

## Directors' Report

For the period ended 31 March 2017

---

The directors present their annual report and financial statements for the period ended 31 March 2017.

### Principal activities

The principal activity of the company continued to be that of a holding company. The principal activity of the Group continued to be that of electricity production.

### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

J A Clare

D S Elbourne

P Ezekiel

D Rogers

J Deutschman

(Resigned 20 January 2017)

P L Wheeler

(Resigned 10 February 2017)

### Results and dividends

The results for the period are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Auditors

Kingston Smith LLP were appointed auditors to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Solarplicity AS Holdings Limited & Subsidiaries

## Directors' Report (Continued)

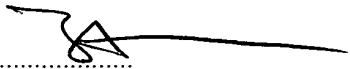
For the period ended 31 March 2017

---

### Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

  
.....  
J A Clare

Director

31.08.17

# Solarplicity AS Holdings Limited & Subsidiaries

## Independent Auditors' Report

### To the Members of Solarplicity AS Holdings Limited & Subsidiaries

---

We have audited the financial statements of Solarplicity AS Holdings Limited & Subsidiaries for the period ended 31 March 2017 which comprise the Consolidated Statement of Total Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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.

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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement, 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**

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 group's and the parent 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. 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.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 and of its profit for the period 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# Solarplicity AS Holdings Limited & Subsidiaries

## Independent Auditors' Report (Continued)

To the Members of Solarplicity AS Holdings Limited & Subsidiaries

---

### 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



**Silvia Vitiello (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP

31.08.17

**Chartered Accountants**  
**Statutory Auditor**

4 Victoria Square  
St Albans  
Hertfordshire  
AL1 3TF

# Solarplicity AS Holdings Limited & Subsidiaries

## Consolidated Statement of Total Comprehensive Income

For the period ended 31 March 2017

|                                                             |          | Period<br>ended<br>31 March<br>2017<br>£ | Period<br>ended<br>16 November<br>2015<br>£ |
|-------------------------------------------------------------|----------|------------------------------------------|---------------------------------------------|
|                                                             | Notes    |                                          |                                             |
| <b>Turnover</b>                                             | <b>3</b> | 12,220,969                               | -                                           |
| Cost of sales                                               |          | (847,545)                                | -                                           |
| <b>Gross profit</b>                                         |          | 11,373,424                               | -                                           |
| Administrative expenses                                     |          | (11,935,880)                             | -                                           |
| <b>Operating (loss)/profit</b>                              | <b>4</b> | (562,456)                                | -                                           |
| Interest payable and similar charges                        | <b>7</b> | (17,893,937)                             | -                                           |
| <b>(Loss)/profit on ordinary activities before taxation</b> |          | (18,456,393)                             | -                                           |
| Tax on profit on ordinary activities                        | <b>8</b> | -                                        | -                                           |
| <b>(Loss)/profit on ordinary activities after taxation</b>  |          | (18,456,393)                             | -                                           |

Total comprehensive income for the period is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The directors of the company chose to extend the accounting period such that all members of the group had coterminous accounting periods. Consequently the current and prior periods are not entirely comparable.

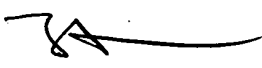
# Solarplicity AS Holdings Limited & Subsidiaries

## Group Balance Sheet

As at 31 March 2017

|                                                                | Notes | 2017<br>£     | £ | 2015<br>£ | £ |
|----------------------------------------------------------------|-------|---------------|---|-----------|---|
| <b>Fixed assets</b>                                            |       |               |   |           |   |
| Intangible assets                                              | 9     | 13,150,930    |   | -         |   |
| Tangible assets                                                | 10    | 103,879,879   |   | -         |   |
|                                                                |       |               |   |           |   |
|                                                                |       | 117,030,809   |   | -         |   |
| <b>Current assets</b>                                          |       |               |   |           |   |
| Debtors                                                        | 12    | 6,960,521     |   | -         |   |
| Cash at bank and in hand                                       |       | 9,955,013     |   | 100       |   |
|                                                                |       |               |   |           |   |
|                                                                |       | 16,915,534    |   | 100       |   |
| <b>Creditors: amounts falling due within one year</b>          | 13    | (7,728,789)   |   | -         |   |
|                                                                |       |               |   |           |   |
| <b>Net current assets</b>                                      |       | 9,186,745     |   | 100       |   |
| <b>Total assets less current liabilities</b>                   |       | 126,217,554   |   | 100       |   |
|                                                                |       |               |   |           |   |
| <b>Creditors: amounts falling due after more than one year</b> | 14    | (144,673,346) |   | -         |   |
|                                                                |       |               |   |           |   |
|                                                                |       | (18,455,792)  |   | 100       |   |
| <b>Capital and reserves</b>                                    |       |               |   |           |   |
| Called up share capital                                        | 16    | 601           |   | 100       |   |
| Profit and loss reserves                                       |       | (18,456,393)  |   | -         |   |
|                                                                |       |               |   |           |   |
| <b>Shareholders' funds</b>                                     |       | (18,455,792)  |   | 100       |   |

The financial statements were approved by the board of directors and authorised for issue on 31.08.17 and are signed on its behalf by:

  
 .....  
 J A Clare  
 Director

# Solarplicity AS Holdings Limited & Subsidiaries

## Company Balance Sheet

As at 31 March 2017

|                                                       | Notes | 2017<br>£    | £       | 2015<br>£ | £   |
|-------------------------------------------------------|-------|--------------|---------|-----------|-----|
| <b>Fixed assets</b>                                   |       |              |         |           |     |
| Investments                                           | 19    |              | 2,306   |           | -   |
| <b>Current assets</b>                                 |       |              |         |           |     |
| Debtors                                               | 12    | 32,655,607   |         | -         |     |
| Cash at bank and in hand                              |       | -            |         | 100       |     |
|                                                       |       | 32,655,607   |         | 100       |     |
| <b>Creditors: amounts falling due within one year</b> | 13    | (32,657,312) |         | -         |     |
| <b>Net current (liabilities)/assets</b>               |       |              | (1,705) |           | 100 |
| <b>Total assets less current liabilities</b>          |       |              | 601     |           | 100 |
| <b>Capital and reserves</b>                           |       |              |         |           |     |
| Called up share capital                               | 16    |              | 601     |           | 100 |

The directors of the company have taken advantage of the exemption to disclose the unconsolidated profit and loss account under section 408 of the Companies Act 2006.

The financial statements were approved by the board of directors and authorised for issue on **31.08.17** and are signed on its behalf by:

.....  
J A Clare  
Director

Company Registration No. 09743321

# Solarplicity AS Holdings Limited & Subsidiaries

## Group Statement of Changes in Equity

For the period ended 31 March 2017

|                                                      | Notes | Share capital<br>£ | Profit and loss<br>reserves<br>£ | Total<br>£   |
|------------------------------------------------------|-------|--------------------|----------------------------------|--------------|
| <b>Balance at 21 August 2015</b>                     |       | -                  | -                                | -            |
| <b>Period ended 16 November 2015:</b>                |       |                    |                                  |              |
| Profit and total comprehensive income for the period |       | -                  | -                                | -            |
| Issue of share capital                               | 16    | 100                | -                                | 100          |
| <b>Balance at 16 November 2015</b>                   |       | 100                | -                                | 100          |
| <b>Period ended 31 March 2017:</b>                   |       |                    |                                  |              |
| Loss and total comprehensive income for the period   |       | -                  | (18,456,393)                     | (18,456,393) |
| Issue of share capital                               | 16    | 501                | -                                | 501          |
| <b>Balance at 31 March 2017</b>                      |       | 601                | (18,456,393)                     | (18,455,792) |

# Solarplicity AS Holdings Limited & Subsidiaries

## Company Statement of Changes in Equity

For the period ended 31 March 2017

---

|                                                      | Notes | Share capital<br>£ |
|------------------------------------------------------|-------|--------------------|
| <b>Balance at 21 August 2015</b>                     |       | -                  |
|                                                      |       | <hr/>              |
| <b>Period ended 16 November 2015:</b>                |       |                    |
| Profit and total comprehensive income for the period |       | -                  |
| Issue of share capital                               | 16    | 100                |
|                                                      |       | <hr/>              |
| <b>Balance at 16 November 2015</b>                   |       | 100                |
|                                                      |       | <hr/>              |
| <b>Period ended 31 March 2017:</b>                   |       |                    |
| Profit and total comprehensive income for the period |       | -                  |
| Issue of share capital                               | 16    | 501                |
|                                                      |       | <hr/>              |
| <b>Balance at 31 March 2017</b>                      |       | 601                |
|                                                      |       | <hr/>              |

# Solarplicity AS Holdings Limited & Subsidiaries

## Consolidated Statement of Cash Flows

For the period ended 31 March 2017

|                                                            | Notes | 2017<br>£     | £ | 2015<br>£ | £ |
|------------------------------------------------------------|-------|---------------|---|-----------|---|
| <b>Cash flows from operating activities</b>                |       |               |   |           |   |
| Cash generated from/(absorbed by) operations               | 20    | 31,914,111    |   | -         |   |
| Interest paid                                              |       | (17,893,937)  |   | -         |   |
| <b>Net cash inflow/(outflow) from operating activities</b> |       | 14,020,174    |   | -         |   |
| <b>Investing activities</b>                                |       |               |   |           |   |
| Purchase of intangible assets                              |       | (13,520,095)  |   | -         |   |
| Purchase of tangible fixed assets                          |       | (112,582,689) |   | -         |   |
| <b>Net cash used in investing activities</b>               |       | (126,102,784) |   | -         |   |
| <b>Financing activities</b>                                |       |               |   |           |   |
| Proceeds from issue of shares                              |       | 501           |   | 100       |   |
| Repayment of borrowings                                    |       | 122,037,022   |   | -         |   |
| <b>Net cash generated from financing activities</b>        |       | 122,037,523   |   | 100       |   |
| <b>Net increase in cash and cash equivalents</b>           |       | 9,954,913     |   | 100       |   |
| Cash and cash equivalents at beginning of period           |       | 100           |   | -         |   |
| <b>Cash and cash equivalents at end of period</b>          |       | 9,955,013     |   | 100       |   |

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements

For the period ended 31 March 2017

---

### 1 Accounting policies

#### Company information

Solarplicity AS Holdings Limited & Subsidiaries ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is Unit 8 Peerglow Centre, Marsh Lane, Ware, Hertfordshire, United Kingdom, SG12 9QL.

The Group consists of Solarplicity AS Holdings Limited and all of its subsidiaries. Details of its subsidiaries are given in the notes to the financial statements.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These Company and group financial statements for the period ended 31 March 2017 are the first financial statements of Solarplicity UC Holdings Limited and Subsidiary Companies prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS102 was 21 August 2015. There were no changes to the financial statements as a result of the transition to FRS102.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £0 (2015 - £0 profit).

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

---

### 1 Accounting policies

(Continued)

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Solarplicity AS Holdings Limited & Subsidiaries and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2017.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

#### 1.3 Going concern

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic report.

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Company and Group are dependent upon external funding and the directors are not aware of any indications that the funding that is in place may be withdrawn. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

On the basis of the director's assessment of the Group's financial position and of the enquiries made by the directors of Solarplicity Debt Funding Limited, the Company's directors have a reasonable expectation that the Company and Group will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

---

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets other than goodwill

Expenditure related to legal and borrowing costs incurred in the period for development of the sites for the group, to the date of commissioning of the sites, have been capitalised. The expenditure capitalised is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                   |            |
|-------------------|------------|
| Development costs | 5% on cost |
|-------------------|------------|

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|              |                         |
|--------------|-------------------------|
| Solar Arrays | between 5% -10% on cost |
|--------------|-------------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Where finance costs have been incurred relating to the construction of an asset, these are capitalised as part of the total cost of the asset.

#### 1.7 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

---

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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 group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 1 Accounting policies

(Continued)

#### 1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.11 Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

A deferred tax asset of £5,754,084 has been estimated. However due to the uncertainty of future profits, this figure has not been accounted for in the current financial period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

|                     | 2017<br>£  | 2015<br>£ |
|---------------------|------------|-----------|
| <b>Turnover</b>     |            |           |
| Sale of electricity | 12,220,969 | -         |

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 3 Turnover and other revenue (Continued)

#### Turnover analysed by geographical market

|                | 2017<br>£  | 2015<br>£ |
|----------------|------------|-----------|
| United Kingdom | 12,220,969 | -         |

### 4 Operating profit

|                                                                       | 2017<br>£ | 2015<br>£ |
|-----------------------------------------------------------------------|-----------|-----------|
| Operating profit for the period is stated after charging/(crediting): |           |           |
| Depreciation of owned tangible fixed assets                           | 8,702,810 | -         |
| Amortisation of intangible assets                                     | 369,165   | -         |
| Cost of stocks recognised as an expense                               | 847,545   | -         |

### 5 Auditors' remuneration

|                                                            | 2017<br>£ | 2015<br>£ |
|------------------------------------------------------------|-----------|-----------|
| Fees payable to the company's auditor and its associates:  |           |           |
| <b>For audit services</b>                                  |           |           |
| Audit of the financial statements of the group and company | 25,000    | -         |

### 6 Employees

There were no persons (including directors) employed by the group during the period or the previous period.

### 7 Interest payable and similar charges

|                                                                      | 2017<br>£  | 2015<br>£ |
|----------------------------------------------------------------------|------------|-----------|
| <b>Interest on financial liabilities measured at amortised cost:</b> |            |           |
| Other interest                                                       | 17,893,937 | -         |

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 8 Taxation

The charge for the period can be reconciled to the loss per the profit and loss account as follows:

|                                                                                                             | 2017<br>£    | 2015<br>£ |
|-------------------------------------------------------------------------------------------------------------|--------------|-----------|
| Profit/(loss) before taxation                                                                               | (18,456,393) | -         |
| <i>Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)</i> | (3,691,279)  | -         |
| Deferred tax asset not recognised                                                                           | 3,691,279    | -         |
| Tax expense for the period                                                                                  | -            | -         |

### 9 Intangible fixed assets

| Group                               | Development costs<br>£ |
|-------------------------------------|------------------------|
| <b>Cost</b>                         |                        |
| At 17 November 2015                 | -                      |
| Additions - separately acquired     | 13,520,095             |
| At 31 March 2017                    | 13,520,095             |
| <b>Amortisation and impairment</b>  |                        |
| At 17 November 2015                 | -                      |
| Amortisation charged for the period | 369,165                |
| At 31 March 2017                    | 369,165                |
| <b>Carrying amount</b>              |                        |
| At 31 March 2017                    | 13,150,930             |
| At 16 November 2015                 | -                      |

The company had no intangible fixed assets at 31 March 2017 or 31 March 2016.

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 10 Tangible fixed assets

| Group                              | Solar Arrays<br>£ |
|------------------------------------|-------------------|
| <b>Cost</b>                        |                   |
| At 17 November 2015                | -                 |
| Additions                          | 112,582,689       |
| At 31 March 2017                   | 112,582,689       |
| <b>Depreciation and impairment</b> |                   |
| At 17 November 2015                | -                 |
| Depreciation charged in the period | 8,702,810         |
| At 31 March 2017                   | 8,702,810         |
| <b>Carrying amount</b>             |                   |
| At 31 March 2017                   | 103,879,879       |

The company had no tangible fixed assets at 31 March 2017 or 31 March 2016.

During the period £4,175,300 (2015 - £nil) of interest costs directly attributable to the financing of the construction of solar arrays were capitalised at the weighted average cost of the related borrowings. The total capitalised interest at 31 March 2017 was £4,175,300 (2015 - £nil).

### 11 Financial instruments

|                                                 | Group<br>2017<br>£ | 2015<br>£ | Company<br>2017<br>£ | 2015<br>£ |
|-------------------------------------------------|--------------------|-----------|----------------------|-----------|
| <b>Carrying amount of financial assets</b>      |                    |           |                      |           |
| Debt instruments measured at amortised cost     | 6,827,104          | -         | 32,655,607           | -         |
| <b>Carrying amount of financial liabilities</b> |                    |           |                      |           |
| Measured at amortised cost                      | 152,402,135        | -         | 32,657,312           | -         |

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 12 Debtors

|                                             | Group<br>2017    | 2015     | Company<br>2017   | 2015     |
|---------------------------------------------|------------------|----------|-------------------|----------|
|                                             | £                | £        | £                 | £        |
| <b>Amounts falling due within one year:</b> |                  |          |                   |          |
| Trade debtors                               | 38,329           | -        | -                 | -        |
| Amounts due from fellow group undertakings  | -                | -        | 32,655,607        | -        |
| Other debtors                               | 6,922,192        | -        | -                 | -        |
|                                             | <u>6,960,521</u> | <u>-</u> | <u>32,655,607</u> | <u>-</u> |

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

|                                          | Notes | Group<br>2017    | 2015     | Company<br>2017   | 2015     |
|------------------------------------------|-------|------------------|----------|-------------------|----------|
|                                          |       | £                | £        | £                 | £        |
| Loans                                    | 15    | 648,573          | -        | -                 | -        |
| Trade creditors                          |       | 6,042,150        | -        | -                 | -        |
| Amounts due to fellow group undertakings |       | -                | -        | 32,655,607        | -        |
| Other creditors                          |       | 1,038,066        | -        | 1,705             | -        |
|                                          |       | <u>7,728,789</u> | <u>-</u> | <u>32,657,312</u> | <u>-</u> |

The loans are secured by a charge over the assets of the Group.

### 14 Creditors: amounts falling due after more than one year

|                                          | Notes | Group<br>2017      | 2015     | Company<br>2017 | 2015     |
|------------------------------------------|-------|--------------------|----------|-----------------|----------|
|                                          |       | £                  | £        | £               | £        |
| Loans                                    | 15    | 121,388,449        | -        | -               | -        |
| Amounts due to fellow group undertakings |       | 23,284,897         | -        | -               | -        |
|                                          |       | <u>144,673,346</u> | <u>-</u> | <u>-</u>        | <u>-</u> |

The long term loans are secured by a charge over the assets of the Group.

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 15 Loans and overdrafts

|                         | Group<br>2017<br>£ | 2015<br>£ | Company<br>2017<br>£ | 2015<br>£ |
|-------------------------|--------------------|-----------|----------------------|-----------|
| Other loans             | 122,037,022        | -         | -                    | -         |
| Payable within one year | 648,573            | -         | -                    | -         |
| Payable after one year  | 121,388,449        | -         | -                    | -         |

The long term loans are secured by a charge over the assets of the Group.

### 16 Share capital

|                                | Group and company |           |
|--------------------------------|-------------------|-----------|
|                                | 2017<br>£         | 2015<br>£ |
| <b>Ordinary share capital</b>  |                   |           |
| <b>Authorised</b>              |                   |           |
| 601 Ordinary Shares of £1 each | 601               | 100       |
| <b>Issued and fully paid</b>   |                   |           |
| 601 Ordinary Shares of £1 each | 601               | 100       |

The company received consideration equal to the par value of the shares issued during the period.

### 17 Related party transactions

The Company has taken advantage of the exemption available under FRS 102 section 33.1 A "Related party disclosures" whereby it has not disclosed transactions with its parent companies or wholly owned subsidiary undertakings of the Group.

### 18 Controlling party

The immediate controlling party of the company is Solarplicity Asset Limited, a company incorporated in England and Wales.

Solarplicity Group Limited, a company incorporated in England and Wales, is the largest group for which consolidated financial statements are prepared and this company is included within those financial statements. The registered office is Unit 8 Peerglow Centre, Marsh Lane, Ware, SG12 9QL.

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 19 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

| Name of undertaking and country of incorporation or residency | Nature of business | Class of shareholding     | % Held                 |          |
|---------------------------------------------------------------|--------------------|---------------------------|------------------------|----------|
|                                                               |                    |                           | Direct                 | Indirect |
| AMP GM001 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP GM003 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP GM004 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP GM006 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| SPF Roberts Wall Limited                                      | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP GM007 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| INRG (Solar Parks) 15 Limited                                 | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP HA005 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP GM011 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP GM012 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| Sunventures 3 Limited                                         | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP HA004 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP HA002 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP HA006 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP HA008 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP HA010 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| Sunventures 2 Limited                                         | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| Solardev 2 Limited                                            | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP GM016 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP GM005 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| AMP HA001 Limited                                             | England & Wales    | Production of electricity | Ordinary share capital | 100      |
| Solarplicity Debt Funding Limited                             | England & Wales    | Holding Company           | Ordinary share capital | 100      |

# Solarplicity AS Holdings Limited & Subsidiaries

## Notes to the Financial Statements (Continued)

For the period ended 31 March 2017

### 19 Subsidiaries

(Continued)

The subsidiaries detailed above represent the company's fixed asset investments, they are held at cost less impairments to date. At the balance sheet date the investments had a total cost equal to their net book value of £2,306 (2015: £nil).

| 20 Cash generated from operations                    | 2017<br>£         | 2015<br>£ |
|------------------------------------------------------|-------------------|-----------|
| Loss for the year after tax                          | (18,456,393)      | -         |
| Adjustments for:                                     |                   |           |
| Finance costs                                        | 17,893,937        | -         |
| Amortisation and impairment of intangible assets     | 369,165           | -         |
| Depreciation and impairment of tangible fixed assets | 8,702,810         | -         |
| Movements in working capital:                        |                   |           |
| (Increase) in debtors                                | (6,960,521)       | -         |
| Increase in creditors                                | 30,365,113        | -         |
| <b>Cash generated from/(absorbed by) operations</b>  | <b>31,914,111</b> | <b>-</b>  |