Registered number: 07521238

TGC Solar 102 Limited

Directors' report and financial statements

for the period ended 30 June 2016

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TGC Solar 102 Limited

Contents

TGC Solar 102 Limited

Company information

Directors	P S Latham (appointed 20 June 2016) J Leigh (appointed 20 June 2016) K A Shenton (appointed 20 June 2016)
Registered number	07521238
Registered office	Suite C Third Floor 3 Harbour Exchange Square Canary Wharf London E14 9GE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Bankers	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB
Solicitors	Shakespeare Martineau LLP No. 1 Colmore Square Birmingham B4 6AA

TGC Solar 102 Limited

Directors' report
for the period ended 30 June 2016

The directors present their report and the audited financial statements of the company for the period ended 30 June 2016.

Principal activities

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

Going concern

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

Directors

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

P S Latham (appointed 20 June 2016)
J Leigh (appointed 20 June 2016)
K A Shenton (appointed 20 June 2016)
OCS Services Limited (appointed 18 August 2015 and resigned 16 September 2015)
T Arthur (resigned 21 July 2015)
C R Hulatt (resigned 18 August 2015)
G La Loggia (appointed 16 September 2015 and resigned 20 June 2016)
T Rosser (appointed 23 February 2016 and resigned 20 June 2016)
M Sheppee (appointed 21 July 2015 and resigned 23 February 2016)

Statement of directors' responsibilities

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 prepared 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it would be inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TGC Solar 102 Limited

Directors' report
for the period ended 30 June 2016

Statement of 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that 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.

Small companies' exemption

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

This report was approved by the board on 9 December 2016 and signed on its behalf.

J Leigh
Director

Independent auditors' report to the members of TGC Solar 102 Limited

Report on the financial statements

Our opinion

In our opinion, TGC Solar 102 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Balance sheet as at 30 June 2016;
- the Profit and loss account for the period 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 applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matters prescribed by the Companies Act 2006

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

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 have not been made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of TGC Solar 102 Limited

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare the financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Directors' report; and take advantage of the small companies' exemption from preparing a Strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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.

Richard Lingwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

9 December 2016

Profit and loss account
for the period ended 30 June 2016

	Note	Period ended 30 June 2016 £	Year ended 31 December 2014 £
Turnover		**541,242**	400,274
Cost of sales		**(359,602)**	(233,129)
Gross profit		**181,640**	167,145
Administrative expenses		**(59,722)**	(60,136)
Operating profit	2	**121,918**	107,009
Interest payable and similar charges		**(381,136)**	(292,867)
Loss on ordinary activities before taxation		**(259,218)**	(185,858)
Tax on loss on ordinary activities	3	**48,105**	-
Loss for the financial period/year	9	**(211,113)**	(185,858)

All of the amounts above relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial period/year stated above and their historical cost equivalents.

The notes on pages 8 to 12 form part of these financial statements.

TGC Solar 102 Limited
Registered number: 07521238

Balance sheet
as at 30 June 2016

	Note	£	30 June 2016 £	£	31 December 2014 £
Fixed assets					
Tangible assets	4		**3,030,598**		3,298,003
Current assets					
Debtors	5	**212,686**		217,012	
Creditors: amounts falling due within one year	6	**(69,474)**		(43,131)	
Net current assets			**143,212**		173,881
Total assets less current liabilities			**3,173,810**		3,471,884
Creditors: amounts falling due after more than one year	7		**(3,766,761)**		(3,853,731)
Net liabilities			**(592,951)**		(381,847)
Capital and reserves					
Called up share capital	8		**10**		1
Profit and loss account	9		**(592,961)**		(381,848)
Total shareholders' deficit	10		**(592,951)**		(381,847)

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 December 2016.

J Leigh
Director

The notes on pages 8 to 12 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

1.2 Going concern

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

1.3 Turnover

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

1.4 Tangible assets and depreciation

Plant and machinery represents the cost of construction of solar plants: solar panels, civil/structural and electrical costs, grid connection, cabling, planning, professional fees and transformers are capitalised and depreciated at 4% per annum on a straight line basis. Cost of inverters are being depreciated at 10% per annum on a straight line basis.

Tangible assets are stated at historical cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of tangible assets, less their estimated residual values, over their expected useful lives on the following basis:

Long-term leasehold property	-	4% straight line
Plant and machinery	-	4% and 10% straight line

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Notes to the financial statements
for the period ended 30 June 2016

1. Accounting policies (continued)

1.7 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

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

1.8 Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

2. Operating profit

The operating profit is stated after charging:

	Period ended 30 June 2016 £	Year ended 31 December 2014 £
Depreciation of tangible fixed assets:		
- owned by the company	**258,819**	169,947
Auditors' remuneration	**1,855**	1,800
Auditors' remuneration - taxation compliance services	**695**	675
Auditors' remuneration - accounts preparation	**605**	585
Operating lease charge	**19,500**	12,578

During the period/year, no director received any emoluments (2014 - £nil).

3. Tax on loss on ordinary activities

	Period ended 30 June 2016 £	Year ended 31 December 2014 £
UK corporation tax (credit)/charge on loss for the period/year	**(48,105)**	-

The company has no tax liability for the period/year and there are tax losses of approximately £79,331 (2014- £11,920) available to carry forward. The company has not recognised the deferred tax asset in respect of losses available to carry forward due to there being insufficient certaintly regarding its recovery.

4. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2015	10,095	3,457,855	3,467,950
Disposals	(2,145)	(7,099)	(9,244)
At 30 June 2016	7,950	3,450,756	3,458,706
Accumulated depreciation			
At 1 January 2015	976	168,971	169,947
Charge for the period	477	258,342	258,819
On disposals	(658)	-	(658)
At 30 June 2016	795	427,313	428,108
Net book value			
At 30 June 2016	7,155	3,023,443	3,030,598
At 31 December 2014	9,119	3,288,884	3,298,003

5. Debtors

	30 June 2016 £	31 December 2014 £
Trade debtors	33,348	35,721
Amounts owed by group undertakings	48,105	122,168
Prepayments and accrued income	131,224	59,123
Other debtors	9	-
	212,686	217,012

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

6. Creditors:
Amounts falling due within one year

	30 June 2016 £	31 December 2014 £
Trade creditors	12,172	4,452
Accruals and deferred income	50,671	27,249
Other creditors including taxation and social security	6,631	11,430
	69,474	43,131

Notes to the financial statements
for the period ended 30 June 2016

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

	30 June 2016 £	31 December 2014 £
Amounts owed to group undertakings	**3,766,761**	3,853,731

Included within amounts owed to group undertakings are unsecured loans with period/year end balances totalling £3,766,761 (2014- £3,853,731). The loans bear interest at 5.7% (2014- 8%) and are repayable after more than five years.

8. Called up share capital

	30 June 2016 £	31 December 2014 £
Allotted and unpaid		
1,020 (2014- 100) Ordinary shares of £0.01 each	**10**	1
Nil (2014 - 20) Deferred shares of £0.01 each	**-**	-
	10	1

The deferred shares previously in issue were cancelled by Elios Energy Limited upon acquisition.

During the period 920 shares were issued for cash at a nominal value of £0.01 per share.

9. Profit and loss account

	£
At 1 January 2015	**(381,848)**
Loss for the financial period	**(211,113)**
At 30 June 2016	**(592,961)**

10. Reconciliation of movements in shareholders' deficit

	30 June 2016 £	31 December 2014 £
Opening shareholders' deficit	**(381,847)**	(195,989)
Loss for the financial period/year	**(211,113)**	(185,858)
Shares issued during the period/year	**9**	-
Closing shareholders' deficit	**(592,951)**	(381,847)

11. Contingent liabilities

The company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. The directors believe that given the nature of the assets, the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets and as such the directors do not believe that an outflow is probable to settle this restoration obligation. The directors will continue to monitor this situation at each balance sheet date.

12. Related party transactions

During the period ended 30 June 2016, the company was charged £3,851 (2014- £27,509) and £5,050 (2014- £142) in respect of management fees and rechargeable expenses respectively by Lightsource Renewable Energy Holdings Limited, a related party due to its significant influence over the entity. At the period/year end, no amount (2014- £nil) was outstanding.

During the period/year the company was charged £16,798 (2014 - £nil) and £5,006 (2014 - £nil) in respect of management fees and rechargable expenses respectively by Octopus Investments Limited, a related party due to its significant influence over the entity. At the period/year end, no amount was outstanding (2014 - £nil).

During the period/year, the company's former parent company, Hipparchus Energy Limited, met expenditure of £108,783 (2014- £613,628) and received revenue of £290,380 (2014- £322,455) on behalf of the company. The company was also charged interest of £219,582 (2014- £292,867) by Hipparchus Energy Limited. At 30 June 2016, £nil (2014- £3,731,563) was outstanding of which £nil (2014- £122,168) is included in debtors and £nil (2014- £3,853,731) is included in creditors.

During the period/year, the company's parent company, Viners Energy Limited, met expenditure of £5,502 (2014- £nil) on behalf of the company. The company was also charged interest of £161,493 (2014- £nil) by Viners Energy Limited. At 30 June 2016, £3,718,656 (2014- £nil) was outstanding of which £48,105 (2014 - £nil) is included within debtors and £3,766,761 (2014- £nil) which is included in creditors.

13. Ultimate parent undertaking and controlling party

During the period 100% of the shareholding in TGC Solar 102 Limited was purchased from Hipparchus Energy Limited by Elios Energy Limited, and subsequently sold to Viners Energy Limited.

The immediate parent undertaking is Viners Energy Limited. The ultimate parent undertaking and controlling party is Fern Trading Limited, a company incorporated in England and Wales.