Renewable Energy Income Partnership Holdings 1 Limited

Report and Financial Statements

30 June 2017

Directors
T Rosser
K A Shenton
A D K Brierley

Secretary
S Ludlow

Auditors
Ernst & Young LLP
Bedford House
Bedford Street
Belfast, BT2 7DT

Bankers
Royal Bank of Scotland
280 Bishopsgate
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Strategic report

The directors present their strategic report for the period ended 30 June 2017.

Principal activities and review of the business

The company was incorporated on 28 February 2017. The principal activities of the group during the period were that of construction and Operation of solar plants and the generation of solar power.

The directors consider the results for the year to be satisfactory.

The nature of the group corporate structure results in significant interest costs and non cash amortisation expenses which contribute to the net liabilities in the group balance sheet. The Directors consider that the group has adequate cash resources to achieve the group's objectives and meet the group's liabilities as they fall due.

The group's key performance indicators are as follows:

	2017
	£000
Group turnover	4,553
Operating profit	1,742
EBITDA	3,670

Principal risks and uncertainties

The objective of the Group is to deliver an annualised gross return of 6.35% over its term through the distribution of proceeds derived from the sale of ROCs and electricity generated by a portfolio of 26 solar photovoltaic plants located in the United Kingdom.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments changes due to variables such as interest rates, foreign exchange rates and inflation rates.

(a) Foreign exchange risk

Foreign exchange risk arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Group does not hold any assets (both monetary and non-monetary) denominated in currencies other than the functional currency (GBP). It is therefore not considered to be exposed to currency risk.

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows. The Group is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rate.

The Group has issued loan notes which are held by the immediate parent undertaking. The interest rate is fixed. As a result, the Group is considered to have limited exposure to interest rate risk.

Strategic report (continued)

Credit risk

The Group takes on exposure to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. The Group is exposed to the risk of non-payment of revenue generating activities.

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the Group's counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group assesses all counterparties, including its partners, for credit risk before contracting with them. The Group monitors credit risk regularly.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group invests through its direct and indirect holding subsidiaries in various companies that are not traded in an organised market and may be illiquid. The Group manages liquidity risk by maintaining cash levels to fund short term operating expenses.

Capital risk management

The Group's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns to its parent and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Group.

Important events since the year end

There have been no significant events affecting the group's business since the period end.

On behalf of the Board

T Rosser
Director
Date: 29 March 2018

Registered No. 10644098

Directors' report

The directors present their report and financial statements for the 4 months ended 30 June 2017.

Results and dividends

The group loss for the period after taxation amounted to £1,096,260. The directors do not propose the payment of a dividend.

Going concern

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for the 12 months from the date of approving these financial statements, which indicate the business can continue trade for at least 12 months.

Directors

The directors who served the company during the period and appointed subsequently were as follows:

T Rosser	(appointed 28 February 2017)
A D K Brierley	(appointed 28 February 2017)
K A Shenton	(appointed 28 February 2017)

Disclosure of information to the 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Matters included in the Strategic Report

Under section 414 of Companies Act 2006 all matters not disclosed in the Directors' Report have been included in the Strategic Report.

On behalf of the Board

T Rosser
Director
Date: 29 March 2018

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 period. 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 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 judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditors' report

to the members of Renewable Energy Income Partnership Holdings 1 Limited

Opinion

We have audited the financial statements of Renewable Energy Income Partnership Holdings 1 Limited ('the parent company') and its subsidiaries (the 'group') for the period ended 30 June 2017 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 30 June 2017 and of the group's loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report

to the members of Renewable Energy Income Partnership Holdings 1 Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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 strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Independent auditors' report

to the members of Renewable Energy Income Partnership Holdings 1 Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ernst & Young LLP

Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
29 March 2018

Group Statement of Comprehensive Income

for the 4 months ended 30 June 2017

	Notes	*4 months ended 30 June 2017* £
Turnover	3	4,552,561
Cost of sales		(2,209,523)
Gross profit		2,343,038
Administrative expenses		(601,044)
Operating profit	4	1,741,994
Interest receivable and similar income		438
Interest payable and similar charges		(2,851,813)
Loss before taxation		(1,109,381)
Tax on loss	6	13,121
Loss for the financial period		(1,096,260)
Other comprehensive income for the period		
Other comprehensive income for the period		–
Total comprehensive loss for the period		(1,096,260)

All amounts relate to continuing activities.

Group statement of financial position

at 30 June 2017

	Notes	£	30 June 2017 £
Fixed assets			
Intangible assets	8		68,373,605
Tangible assets	9		191,649,101
			260,022,706
Current assets			
Debtors: amounts falling due within one year	10	9,518,728	
Cash at bank and in hand		8,834,066	
		18,352,794	
Creditors: amounts falling due within one year	11	(6,309,162)	
Net current assets			12,043,632
Total assets less current liabilities			272,066,338
Creditors: amounts falling due after more than one year	12		(273,006,323)
Provisions for liabilities			
Deferred taxation	6(c)	(156,274)	
			(156,274)
Net assets			(1,096,259)
Capital and reserves			
Called up share capital	13		1
Retained earnings			(1,096,260)
Total shareholders' funds			(1,096,259)

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

T Rosser
Director

28 March 2018

Company statement of financial position

at 30 June 2017

			30 June 2017
	Notes	*£*	*£*
Fixed assets			
Investments	7		1
Total assets less current liabilities			1
Net assets			1
Capital and reserves			
Called up share capital	13		1
Retained earnings			–
Total shareholders' funds			1

No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006

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

T Rosser
Director
Date: 29 March 2018

Group statement of changes in equity

for the 4 months ended 30 June 2017

	Called up share capital	*Retained earnings*	*Total shareholders' funds*
	£	£	£
At incorporation	–	–	–
New shares issued	1	–	1
Total comprehensive loss for the period	–	(1,096,260)	(1,096,260)
At 30 June 2017	1	(1,096,260)	(1,096,259)

Called up share capital
Share capital represents the nominal value of shares that has been issued.

Retained earnings
Retained earnings includes all current and prior period retained profits and losses.

Company statement of changes in equity

for the 4 months ended 30 June 2017

	Called up share capital	*Retained earnings*	*Total shareholders' funds*
	£	*£*	*£*
At incorporation	–	–	–
New shares issued	1	–	1
Total comprehensive loss for the period	–	–	–
At 30 June 2017	1	–	1

Called up share capital
Share capital represents the nominal value of shares that has been issued.

Retained earnings
Retained earnings includes all current and prior period retained profits and losses.

Group statement of cash flows

for the 4 months ended 30 June 2017

	Notes	2017 £000
Net cash inflow from operating activities	15(a)	2,480,369
Investing activities		
Interest received		335
Net cash acquired with subsidiary undertaking		6,353,362
Net cash flow from investing activities		6,353,697
Increase in cash		8,834,066
Cash and cash equivalents at incorporation		–
Cash and cash equivalents at 30 June		8,834,066

Notes to the financial statements

at 30 June 2017

1. General information

Renewable Energy Income Partnership Holdings 1 Limited is a private company, limited by shares, incorporated in and domiciled in the United Kingdom, Registration number 10644098. The Registered office is 6th Floor, 33 Holborn, and London, EC1N 2HT.

The group's financial statements have been prepared in compliance with FRS 102 as it applies to the group for the period ended 30 June 2017.

2. Accounting policies

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the group and are rounded to the nearest £.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all of its subsidiary undertakings made up to 30 June 2017.

No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006.

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

The following are the company's key sources of estimation uncertainty:

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the country in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

ROC Recycle Estimate

The company establishes accrued income in respect of the ROC recycle based on production for the period and apply externally available best estimates for the expected ROC recycle price for the period which is outstanding. Any difference between the estimate and the actual ROC recycle price is taken as revenue in the period in which the ROC recycle price is confirmed.

The following principal accounting policies have been applied:

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemption:

- from disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 30 June 2017 it was a wholly owned subsidiary.

Notes to the financial statements

at 30 June 2017

2. Accounting policies (continued)

Going concern

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

Goodwill

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life.

Tangible fixed assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of tangible assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised.

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the financial statements

at 30 June 2017

2. Accounting policies (continued)

Equity investments

Equity investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at cost less impairment.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. it does not disclose transactions with members of the same group that are wholly owned.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

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

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

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

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

Notes to the financial statements

at 30 June 2017

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised 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.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 30 June 2017

3. Turnover

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom.

No analysis of turnover is presented as the directors consider such disclosure to be seriously prejudicial to the interests of the Company.

4. Operating profit

The operating profit is stated after charging:

	Period ended 30 June 2017
	£
Amortisation of intangible assets	527,873
Depreciation of tangible assets	1,400,430
Fees payable to the Company's auditor and its associates for the audit of the Group and Company's annual financial statements	52,110
– Non audit services	16,740
– Taxation compliance services	18,180
Operating lease charges	210,337

5. Employees and directors' remuneration

The Company has no employees other than the directors, who did not receive any remuneration (year ended 31 December 2016 – £nil).

6. Tax

a) Tax on loss

The tax charge is made up as follows:

	2017
	£
Current tax:	
Corporation tax on profits for the period	–
Adjustments in respect of previous periods	128,069
Total current tax	128,069
Deferred tax:	
Origination and reversal of timing differences	(105,926)
Adjustments in respect of previous periods	(35,264)
Tax on profit (note 6(b))	(13,121)

Notes to the financial statements

at 30 June 2017

6. Tax (continued)

b) Factors affecting tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax of 19.50%. The differences are explained below:

	2017
	£
Loss before tax	(1,109,381)
Loss multiplied by standard rate of corporate tax of 19.50%	(216,299)
Disallowed expenses and non-taxable income	110,769
Movement in deferred tax unrecognised	(15,954)
Adjustments in respect of previous periods	92,803
Adjustment due to change in tax rate	15,560
Total tax charge for the period	(13,121)

c) Deferred tax

The deferred tax included in the statement of financial position is as follows:	2017
	£
Deferred tax liability	156,274
At incorporation	–
On acquisition	297,464
Credited to the profit and loss account	(141,190)
At 30 June 2017	156,274

The elements of deferred tax are as follows:

Accelerated capital allowances	156,274

d) Factors that may affect future tax charges

A reduction in the UK corporation tax rate to 17% (effective 1 April 2020) was substantively enacted on 15 September 2016. Any deferred tax balance at 30 June 2017 has been calculated at that rate.

Notes to the financial statements

at 30 June 2017

7. Investments in subsidiaries

Company	*Shares in participating interests*
	£
Cost	
At incorporation	–
Acquired during the year	1
At 30 June 2017	1

Name of company	*Holding*	*Registered office*	*Proportion of voting rights and shares held*	*Nature of business*
Renewable Energy Income Partnership Holdings 2 Limited	Ordinary	London, EC1N 2HT	100%	Holding company
Renewable Energy Income Partnership Holdings Limited	Ordinary	London, EC1N 2HT	100%*	Holding company
Arevalous Power SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Belakane Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Channel Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Lodge Farm Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Elli Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
KS SPV 21 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Krieger Energy SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Walland Farm Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Little Morton Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Somerton Door Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Malwine Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Mitzi Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
MTS Rydon Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Oda Solar SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Push Energy (Bardfield) Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Rashmika SPV 1 Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Cloford Common Farm Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Pollington Airfield Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Ash Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Peter Hill Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Lawn Lane Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Ratcliffe House Farm Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Carlisle Estate Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Guisborough Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Holtwood Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production
Brickkiln Farm Solar Limited	Ordinary	London, EC1N 2HT	100%*	Solar electricity production

*Held by a subsidiary undertaking

Notes to the financial statements

at 30 June 2017

8. Intangible fixed assets

	Goodwill	*Total*
	£	*£*
Cost:		
At incorporation	–	–
Additions	68,901,478	68,901,478
At 30 June 2017	68,901,478	68,901,478
Accumulated amortisation:		
At incorporation	–	–
Charge for the period	527,873	527,873
At 30 June 2017	527,873	527,873
Net book value:		
At 30 June 2017	68,373,605	68,373,605
At incorporation	–	–

The useful economic life of the goodwill has been estimated by the directors at 20 years for goodwill on consolidation in line with expected flow of economic benefit from the acquired companies.

On 5 May 2017, the group acquired the 26 trading solar farms included in the investments note 7.

Below is a summary of the assets and liabilities acquired

	Net liabilities acquired
	£000
Fixed assets	193,050
Debtors	9,502
Creditors	(232,364)
Net liabilities acquired	(29,812)
Goodwill on acquisition	68,901
	39,089
Consideration satisfied by cash	38,735
Acquisition costs	354
	39,089

Notes to the financial statements

at 30 June 2017

9. Tangible fixed assets

	Long-term leasehold property	*Plant and machinery*	*Total*
	£	*£*	*£*
Cost:			
At incorporation	–	–	–
Acquisition of subsidiary undertakings	1,912,021	191,137,510	193,049,531
At 30 June 2017	1,912,021	191,137,510	193,049,531
Accumulated depreciation:			
At incorporation	–	–	–
Charge for the period	12,720	1,387,710	1,400,430
At 30 June 2017	12,720	1,387,710	1,400,430
Net book value:			
At 30 June 2017	1,899,301	189,749,800	191,649,101
At incorporation	–	–	–

10. Debtors

Group	*30 June 2017*
	£
Trade debtors	900,394
Corporation tax receivable	40,338
Other debtors	148,700
Prepayments and accrued income	8,429,296
	9,518,728

11. Creditors: amounts falling due within one year

Group	*30 June 2017*
	£
Trade creditors	1,207,784
Other creditors	1,091,443
Taxation and social security	401,216
Accruals and deferred income	3,608,719
	6,309,162

Included within accruals and deferred income is an amount of £2,851,813 relating to interest payable on the unsecured loan.

Notes to the financial statements

at 30 June 2017

12. Creditors: amounts falling due after more than one year

Group	*30 June 2017*
	£
Amounts owed to parent undertakings	272,561,340
Other creditors	444,983
	273,006,323

Included within amounts owed to parent undertakings are unsecured loans with period end balances totalling £272,561,340. The loan bears interest at 6.7% and is repayable after more than five years.

13. Issued share capital

Group and company	*30 June 2017*
Allotted, called up and fully paid	*£*
100 Ordinary shares of £0.01 each	1

14. Profit attributable to the members of the parent company

The profit dealt with in the financial statements of the parent company is £nil.

15. Notes to the statement of cash flows

Group

(a) *Reconciliation of operating profit to net cash inflow from operating activities*

	2017
	£000
Operating profit/(loss)	(1,109,381)
Depreciation	1,400,430
Goodwill amortisation	527,873
Decrease/(increase) in debtors	(17,605)
Increase in creditors	2,080,286
Taxation	
Corporation tax paid	(401,234)
Net cash inflow from operating activities	2,480,369

Notes to the financial statements

at 30 June 2017

15. Notes to the statement of cash flows (continued)

(b) Cash and cash equivalents

	2017
	Group
	£000
Cash at bank and in hand	8,834,066
	8,834,066

16. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 30 June 2017 it was a wholly owned subsidiary.

17. Operating leases

The Group has future minimum lease payments under non-cancellable operating leases as follows:

	2017
Group	*£*
Not later than one year	1,292,050
Later than one year and not later than five years	5,691,524
Later than five years	37,244,383
	44,227,957

The company has no future minimum lease payments under non-cancellable operating leases.

18. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking and controlling party is Renewable Energy Income Partnership LP, a limited partnership incorporated in the United Kingdom.