

**Klara Solar Limited**

**Directors' report and financial statements**

**For the year ended 31 December 2015**



**Klara Solar Limited**

**Company information**

<b>Director</b>	OCS Services Limited E Fellows (appointed 8 January 2015)
<b>Company secretary</b>	S Ludlow
<b>Registered number</b>	07932123
<b>Registered office</b>	6th Floor 33 Holborn London EC1N 2HT
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS
<b>Solicitors</b>	Shakespeare Martineau LLP No. 1 Colmore Square Birmingham B4 6AA

## **Klara Solar Limited**

### **Directors' report For the year ended 31 December 2015**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

#### **Principal activities**

The company was the parent company of a company of which the principal activities were construction and operation of solar plants and the generation of solar power, until it disposed of its subsidiary during the year.

Prior to its subsidiary disposal, the company has begun to trade through its partnership interest in Terido LLP, a trading partnership whose principal activity is money lending to various sectors.

#### **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 year and up to the date of signing the financial statements were:

OCS Services Limited  
E Fellows (appointed 8 January 2015)  
P McCartie (resigned 8 January 2015)

#### **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 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.

**Klara Solar Limited**

**Directors' report  
For the year ended 31 December 2015**

**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 September 2016 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'E Fellows', written over a horizontal line.

**E Fellows**  
Director

## **Klara Solar Limited**

### **Independent auditors' report to the members of Klara Solar Limited**

#### **Report on the financial statements**

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##### **Our opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year 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.
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##### **What we have audited**

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

- the Balance sheet as at 31 December 2015;
- the Profit and loss account for the year 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.

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##### **Opinions on matter prescribed by the Companies Act 2006**

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

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##### **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.

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##### **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 Klara Solar Limited**

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**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.

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**Responsibilities for the financial statements and the audit**

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**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.

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**What an audit of financial statements involves**

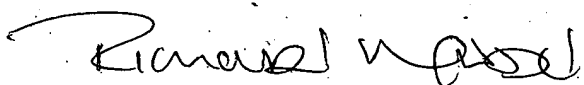
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 September 2016

**Klara Solar Limited**

**Profit and loss account  
For the year ended 31 December 2015**

	Note	2015 £	2014 £
<b>Turnover</b>		515	-
Cost of sales		(157)	(45)
<b>Gross profit/(loss)</b>		358	(45)
Administrative expenses		(123,792)	(6,654)
Exceptional administrative expenses	3	-	(2,120,187)
Total administrative expenses		(123,792)	(2,126,841)
Other operating income	2	16,281	-
<b>Operating loss</b>	3	(107,153)	(2,126,886)
Interest receivable and similar income		6,050	293,148
Interest payable and similar charges		(1,993)	-
<b>Loss on ordinary activities before taxation</b>		(103,096)	(1,833,738)
Tax on loss on ordinary activities	4	(5,194)	-
<b>Loss for the financial year</b>	10	(108,290)	(1,833,738)

All 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 year stated above and their historical cost equivalents.

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


**Klara Solar Limited**  
**Registered number: 07932123**

**Balance sheet**  
**As at 31 December 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Investments	5		-		678,826
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	6	-	3,024,789		
Debtors: amounts falling due within one year	6	514	5,242		
Cash at bank and in hand		12,206	-		
		<u>12,720</u>	<u>3,030,031</u>		
<b>Creditors: amounts falling due within one year</b>	7	<b>(5,194)</b>	<b>(7,782)</b>		
<b>Net current assets</b>			<b>7,526</b>		<b>3,022,249</b>
<b>Total assets less current liabilities</b>			<b>7,526</b>		<b>3,701,075</b>
<b>Creditors: amounts falling due after more than one year</b>	8		-		<b>(480,316)</b>
<b>Net assets</b>			<b>7,526</b>		<b>3,220,759</b>
<b>Capital and reserves</b>					
Called up share capital	9		45		24,197
Share premium account	10		361		2,294,499
Profit and loss account	10		7,120		902,063
<b>Total shareholders' funds</b>	11		<b>7,526</b>		<b>3,220,759</b>

The financial statements have been prepared in accordance with the 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 September 2016.

  
**E Fellows**  
 Director

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



**Notes to the financial statements  
For the year ended 31 December 2015**

**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 year, are set out below.

**1.2 Consolidation**

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.3 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.

**1.4 Turnover**

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

**1.5 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

**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.

## Klara Solar Limited

### Notes to the financial statements For the year ended 31 December 2015

#### 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 deducing 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. Other operating income

	2015 £	2014 £
Trading profit from Terido LLP	<u>16,281</u>	<u>-</u>

#### 3. Operating loss

The operating loss is stated after charging:

	2015 £	2014 £
Auditors' remuneration	465	450
Auditors' remuneration - taxation compliance services	465	450
Auditors' remuneration - accounts preparation	415	405
Impairment of investment in subsidiary	-	2,120,187
	<u>          </u>	<u>          </u>

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

#### 4. Tax on loss on ordinary activities

	2015 £	2014 £
UK corporation tax charge on loss for the year	<u>5,194</u>	<u>-</u>

**Klara Solar Limited**

**Notes to the financial statements  
For the year ended 31 December 2015**

**5. Investments**

	Investments in subsidiary companies £	Partnership contribution £	Total £
<b>Cost</b>			
At 1 January 2015	2,318,697	480,316	2,799,013
Partnership contribution	-	5,100	5,100
Disposals	(2,318,697)	(485,416)	(2,804,113)
At 31 December 2015	-	-	-
<b>Impairment</b>			
At 1 January 2015	2,120,187	-	2,120,187
Disposals	(2,120,187)	-	(2,120,187)
At 31 December 2015	-	-	-
<b>Net book value</b>			
At 31 December 2015	-	-	-
At 31 December 2014	198,510	480,316	678,826

During the year the company disposed of its investment in 100% of the ordinary share capital of Tonatiuh Trading 1 Limited a company registered in England and Wales.

During the year, the company contributed £5,100 (2014 - £480,316) to Terido LLP, a trading partnership. The company disposed of its investment in Terido LLP before the year end.

**6. Debtors**

	2015 £	2014 £
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	-	3,024,789
	2015 £	2014 £
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	-	4,060
VAT recoverable	-	1,182
Prepayments and accrued income	514	-
	514	5,242

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £nil (2014 - £3,024,789). The loans bear interest at 10% (2014 - 10%).

**Klara Solar Limited**

**Notes to the financial statements  
For the year ended 31 December 2015**

**7. Creditors:  
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	-	6,000
Corporation tax	5,194	-
Accruals and deferred income	-	1,782
	<u>5,194</u>	<u>7,782</u>

**8. Creditors:  
Amounts falling due after more than one year**

	2015 £	2014 £
Debenture loans	-	480,316
	<u>-</u>	<u>480,316</u>

Included within debenture loans is an amount of £nil (2014 - £480,316) which is secured by a fixed and floating charge over the assets of the company. The loan bears interest at 6.5% (2014 - 6.5%).

**9. Called up share capital**

	2015 £	2014 £
<b>Allotted and fully paid</b>		
4,518 (2014 - 2,419,700) Ordinary shares of £0.01 each	45	24,197
	<u>45</u>	<u>24,197</u>

The company reduced its share capital by cancelling shares of 1p each and cancellation of the share premium account to the extent of £2,294,138.

**10. Reserves**

	Share premium account £	Profit and loss account £
At 1 January 2015	2,294,499	902,063
Loss for the financial year	-	(108,290)
Dividends paid	-	(786,653)
Utilised on redemption of shares	(2,294,138)	-
	<u>361</u>	<u>7,120</u>
At 31 December 2015	<u>361</u>	<u>7,120</u>

## Klara Solar Limited

### Notes to the financial statements For the year ended 31 December 2015

#### 11. Reconciliation of movements in shareholders' funds

	2015	2014
	£	£
Opening shareholders' funds	3,220,759	5,054,497
Loss for the financial year	(108,290)	(1,833,738)
Dividends paid	(786,653)	-
Shares redeemed during the year	(24,152)	-
Premium utilised on redemption of shares	(2,294,138)	-
	<hr/>	<hr/>
Closing shareholders' funds	7,526	3,220,759
	<hr/>	<hr/>

#### 12. Related party transactions

During the year ended 31 December 2015, the company was charged £nil (2014 - £13,575) and £4,554 (2014 - £1,138) 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 year end, no amount was outstanding (2014 - £nil).

During the year, monitoring fees of £nil (2014 - £9,750) were charged by Octopus Investments Limited, a related party due to its significant influence over the entity. Octopus Investments Limited also recharged expenses totalling £4,279 (2014 - £167) to the company. At the year end, no amount was outstanding (2014 - £nil).

During the year, the company met expenditure of £nil (2014 - £14,663) and received revenue of £nil (2014 - £26,445) on behalf of its formerly owned subsidiary, Tonatuih Trading 1 Limited. The company also charged interest of £6,050 (2014 - £330,963) to Tonatuih Trading 1 Limited. At 31 December 2015 £nil (2014 - £3,028,849) was outstanding and included in debtors.

P S Latham is a director of Fern Trading Limited. During the year, a loan totalling £nil (2014 - £480,316) was received from Fern Trading Limited. Interest of £nil (2014 - £770) has been charged to the company and repayments of £480,316 (2014 - £nil) have been made during the year. The total amount owing to Fern Trading Limited at the end of the year was £nil (2014 - £480,316).

#### 13. Ultimate parent undertaking and controlling party

The directors do not consider the company to have an ultimate controlling party or parent company, by virtue of a split holding in its shares. The results of the company are not consolidated within any other company.