



# Abbreviated Accounts Michabo Power Limited

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**For the period ended 31 December 2011**



**Registered number: 07447515**

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**Michabo Power Limited**

## Company Information

<b>Directors</b>	J A Lee A J Seabright K A Johnston
<b>Company secretary</b>	T J Spevack
<b>Company number</b>	07447515
<b>Registered office</b>	4th Floor 20 Old Bailey LONDON EC4M 7AN
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South OXFORD OX4 2WB
<b>Bankers</b>	Coutts & Co 440 Strand LONDON WC2R 0QS
<b>Solicitors</b>	SGH Martineau LLP No 1 Colmore Square BIRMINGHAM B4 6AA

**Michabo Power Limited**

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## Independent auditor's report to Michabo Power Limited

### Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts, which comprise the Balance sheet and the related notes, together with the financial statements of Michabo Power Limited for the period ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

### Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts which comprise the Balance sheet and the related notes have been properly prepared in accordance with the regulations made under that section.

A handwritten signature in black ink that reads "Grant Thornton UK LLP".

Tracey James (Senior statutory auditor)

for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants  
Statutory Auditor

OXI-ORD

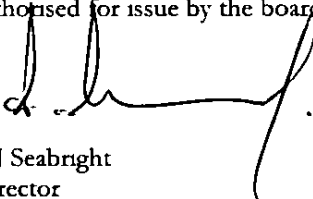
31 May 2012

## Abbreviated balance sheet

As at 31 December 2011

	Note	£	2011 £
<b>Fixed assets</b>			
Intangible assets	2		595,198
Tangible assets	3		75,875
Investments	4		2
			<u>671,075</u>
<b>Current assets</b>			
Debtors		2,305,261	
Cash at bank		187,035	
		<u>2,492,296</u>	
<b>Creditors</b> amounts falling due within one year	5	(1,273,675)	
<b>Net current assets</b>			<u>1,218,621</u>
<b>Total assets less current liabilities</b>			<u><u>1,889,696</u></u>
<b>Capital and reserves</b>			
Called up share capital	6		20,000
Share premium account			1,930,000
Profit and loss account			(60,304)
<b>Shareholders' funds</b>			<u><u>1,889,696</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf by

  
A J Seabright  
Director

Date 31 May 2012

The notes on pages 3 to 6 form part of these financial statements

# Notes to the abbreviated accounts

For the period ended 31 December 2011

## 1. Accounting policies

### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

### 1.2 Going concern

The accounts have been prepared on a 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 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rate:

Goodwill	-	straight line over 25 years
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### 1.4 Tangible fixed assets and depreciation

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

Leasehold property	-	over the term of the lease
Other fixed assets	-	4% and 10% straight line

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

### 1.5 Investments

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

### 1.6 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

# Notes to the abbreviated accounts

For the period ended 31 December 2011

## 1. Accounting policies (continued)

### 1.7 Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

### 1.8 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 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.

### 1.9 Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

## 2. Intangible fixed assets

	£
<b>Cost</b>	
At 22 November 2010	-
Additions	619,998
At 31 December 2011	619,998
<b>Amortisation</b>	
At 22 November 2010	-
Charge for the period	24,800
At 31 December 2011	24,800
<b>Net book value</b>	
At 31 December 2011	595,198

# Notes to the abbreviated accounts

For the period ended 31 December 2011

## 3. Tangible fixed assets

	£
<b>Cost</b>	
At 22 November 2010	-
Additions	77,029
At 31 December 2011	77,029
<b>Depreciation</b>	
At 22 November 2010	-
Charge for the period	1,154
At 31 December 2011	1,154
<b>Net book value</b>	
At 31 December 2011	75,875

## 4. Fixed asset investments

	£
<b>Cost or valuation</b>	
At 22 November 2010	-
Additions	2
At 31 December 2011	2
<b>Net book value</b>	
At 31 December 2011	2

On 20 September 2011, the Company acquired 100% of the ordinary share capital of Manor Farm (Solar Power) Limited, a company incorporated in England and Wales with capital and reserves at 31 December 2011 of £33,845 and a profit for the period ended 31 December 2011 of £33,843

## 5. Creditors:

### Amounts falling due within one year

Included within other loans is an amount of £690,000 which is secured by two fixed and floating charges over the assets of the company



## Notes to the abbreviated accounts

For the period ended 31 December 2011

### 6. Share capital

	2011 £
<b>Authorised, allotted, called up and fully paid</b>	
2,000,000 Ordinary B shares of £0.01 each	20,000
20 Deferred shares of £0.01 each	-
	<hr/>
	<b>20,000</b>

Upon incorporation on 22 November 2010, the Company issued 2 ordinary shares of £0.10 each, which were converted to 20 deferred shares of £0.01 each on 16 September 2011.

On 16 September 2011, the Company issued 2,000,000 ordinary shares for £1.00 each. The difference between the total cash received and the nominal value, being £1,980,000, has been credited to the share premium account. Arrangement fees of £50,000 have been deducted from the balance on share share premium.

Arrangement fees were paid to a related party, Octopus Investment Limited, as disclosed within the related party transactions note to the financial statements.

### 7. Related party transactions

During the period the company met expenditure on behalf of its wholly owned subsidiary company, Manor Farm (Solar Power) Limited totalling £2,281,355. At the period end a total of £2,281,355 is included within debtors.

Also during the period, development fees of £19,100 relating to the construction of the solar plant from Lightsource Renewable Energy Limited have been capitalised. None of these fees were outstanding at the period end.

In the period ended 31 December 2011, arrangement and monitoring fees of £60,024 were charged by Octopus Investments Limited, a related party due to its significant influence over the entity. At 31 December 2011 £4,584 was owed to Octopus Investments Limited.