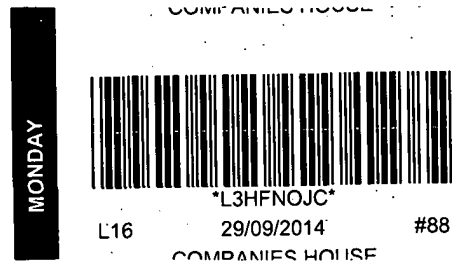


**Alhazen Energy Limited**  
**Abbreviated financial statements**  
**for the year ended 31 December 2013**

**Registered Number 07817979**



Alhazen Energy Limited  
Abbreviated financial statements  
for the year ended 31 December 2013  
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# **Alhazen Energy Limited**

## **Directors and advisers**

### **Directors**

B T K Davis

N Boyle

P S Latham (Alternate director)

### **Company secretary**

N Board

### **Registered office**

4<sup>th</sup> Floor

20 Old Bailey

London

EC4M 7AN

### **Independent auditors**

PricewaterhouseCoopers LLP

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

### **Bankers**

Coutts & Co

440 Strand

London

WC2R 0QS

### **Solicitors**

SGH Martineau LLP

No.1 Colmore Square

Birmingham

B4 6AA

# **Alhazen Energy Limited**

## **Independent auditors' report to the members of Alhazen Energy Limited under Section 449 of the Companies Act 2006**

We have examined the abbreviated financial statements set out on pages 3 to 10, together with the financial statements of Alhazen Energy Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements 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 financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, 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.

### **Basis of opinion**

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 financial statements and that the abbreviated financial statements are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.



**Jonathan Greenaway (Senior Statutory Auditor)**

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

26 September 2014

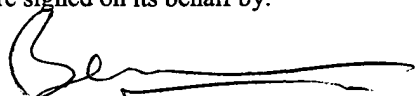
# Alhazen Energy Limited

## Abbreviated balance sheet as at 31 December 2013

	Note	2013 £	2013 £	2012 Restated £	2012 Restated £
<b>Fixed assets</b>					
Intangible assets	1	-		104,174	
Tangible assets	2	1,179,306		111,794	
Investments	3	129,501		2	
			1,308,807		215,970
<b>Current assets</b>					
Debtors: amounts falling due within one year	4	842,683		402,601	
Debtors: amounts due after more than one year	4	738,751		192,930	
Cash at bank and in hand		77,591		891,865	
			1,659,025		1,487,396
<b>Creditors: amounts falling due within one year</b>	5		(137,295)		(10,356)
<b>Net current assets</b>			1,521,730		1,477,040
<b>Total assets less current liabilities</b>			2,830,537		1,693,010
<b>Creditors: amounts falling due after more than one year</b>	6		(950,000)		-
<b>Net assets</b>			1,880,537		1,693,010
<b>Capital and reserves</b>					
Called up share capital	7		18,474		18,474
Share premium account			1,736,548		1,736,548
Profit and loss account			125,515		(62,012)
<b>Total shareholders' funds</b>			1,880,537		1,693,010

The abbreviated financial statements 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 and SI 2008/409 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 3 to 10 were approved by the board of directors on 26 September 2014 and were signed on its behalf by:



**B T K Davis**

Director

Registered number 07817979

# **Alhazen Energy Limited**

## **Statement of accounting policies**

### **Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

### **Restatement of profit and loss account**

The directors have reclassified certain costs from administrative expenses to cost of sales and as such have restated the prior year profit and loss account. This has no impact on the prior period loss, or net assets.

### **Restatement of balance sheet and related debtors note**

The directors have reclassified amounts owed by group undertakings as greater than one year in line with the loan agreement. This has no impact on the profit in the period but does act to reduce net current assets by £402,601.

### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertaking constitute 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 financial statements.

### **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.

### **Tangible assets and depreciation**

Tangible 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:

Plant and machinery - 4% and 10% straight line

Plant and machinery 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.

### **Investments**

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

### **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.

# **Alhazen Energy Limited**

## **Statement of accounting policies (continued)**

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.

### **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.

# Alhazen Energy Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2013

### 1 Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 January 2013	107,743
Transfer to investments	(107,743)
<b>At 31 December 2013</b>	<b>-</b>
<b>Accumulated amortisation</b>	
At 1 January 2013	3,569
Transfer to investments	(3,569)
<b>At 31 December 2013</b>	<b>-</b>
<b>Net book value</b>	
<b>At 31 December 2013</b>	<b>-</b>
At 31 December 2012	104,174

It was identified during the year that balances within goodwill relate to fixed asset investments which have been transferred accordingly (note 3).



# Alhazen Energy Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2013 (continued)

### 2 Tangible assets

	Plant and machinery £
<b>Cost</b>	
At 1 January 2013	185,637
Additions	1,044,515
Disposals	(49,801)
<b>At 31 December 2013</b>	<b>1,180,351</b>
<b>Accumulated depreciation</b>	
At 1 January 2013	73,843
Disposals	(49,801)
Charge for the year	540
Release	(23,537)
<b>At 31 December 2013</b>	<b>1,045</b>
<b>Net book value</b>	
<b>At 31 December 2013</b>	<b>1,179,306</b>
At 31 December 2012	111,794

During the course of the year, management have redesignated certain assets to assets under construction (£49,801). The associated reversal of depreciation has been credited to the profit and loss account in the current period.

# Alhazen Energy Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2013 (continued)

### 3 Investments

	Subsidiary undertakings £
<b>Cost</b>	
At 1 January 2013	2
Transfer from intangible assets	104,174
Additions	25,325
<b>At 31 December 2013</b>	<b>129,501</b>
<b>Net book value</b>	
<b>At 31 December 2013</b>	<b>129,501</b>
At 31 December 2012	2

It was identified during the year that balances within goodwill relate to fixed asset investments which have been transferred accordingly (note 1).

The company owns 100% of the ordinary share capital of Free Power for Schools 6 Limited and Free Power for Schools 17 Limited, both of which are companies registered in England and Wales.

### 4 Debtors

	2013 £	2012 Restated £
Prepayments and accrued income	649,667	62,611
VAT recoverable	193,016	-
Trade debtors	-	130,319
Amounts owed by group undertakings	738,751	402,601
	<b>1,581,434</b>	<b>595,531</b>

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £738,751 (2012: £402,601). The loans bear interest at 8% (2012: 8%) and are repayable after more than five years.

# **Alhazen Energy Limited**

## **Notes to the abbreviated financial statements for the year ended 31 December 2013 (continued)**

### **5 Creditors: amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>37,817</b>	619
Amounts owed to group undertakings	<b>95,214</b>	-
Other creditors including taxation and social security	<b>207</b>	8,287
Accruals and deferred income	<b>4,057</b>	1,450
	<b>137,295</b>	10,356

### **6 Creditors: amounts falling due after more than one year**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Debenture loans	<b>950,000</b>	-

Included within debenture loans is an amount of £950,000 (2012: £nil) which is secured by a fixed and floating charge over the assets of the company and is repayable after more than 5 years.

### **7 Called up share capital**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,847,392 (2012: 1,847,392) B ordinary shares of £0.01 each	<b>18,474</b>	18,474

# **Alhazen Energy Limited**

## **Notes to the abbreviated financial statements for the year ended 31 December 2013 (continued)**

### **8 Related party transactions**

During the year ended 31 December 2013, the company was charged £nil (2012: £21,677), £4,690 (2012: £nil) and £4,680 (2012: £21,532) in respect of project development costs, management fees and rechargeable expenses respectively by Lightsource Renewable Energy Limited, a related party due to its significant influence over the entity. Advance payment of £nil (2012: £35,000) was made to Lightsource Renewable Energy Limited in respect of the development of the pipeline. Assets to the value of £1,543,573 (2012: £nil) was sold by Lightsource Renewable Energy Limited. At the year end, an amount of £nil (2012: £129,928) was outstanding which is included in the trade debtors.

During the year, monitoring fees of £2,792 (2012: £556) and arrangement fees of £nil (2012: £92,370) were charged by Octopus Investments Limited, a related party due to its significant influence over the entity. Octopus Investments Limited also recharged legal fees totalling £nil (2012: £3,516) to the company. At 31 December 2013, £nil (2012: £619) was outstanding which is included in the trade creditors.

During the year the company met expenditure of £104,840 and £164,468 (2012: £159,951 and £225,955) and received revenue of £41,736 and £78,837 (2012: £19,262 and £13,166) on behalf of its wholly owned subsidiaries, Free Power for Schools 6 Limited and Free Power for Schools 17 Limited respectively. The company also charged interest of £18,388 (2012: £17,490) to Free Power For Schools 6 Limited and £40,122 (2012: £22,751) to Free Power for Schools 17 Limited. At the year end, an amount of £251,216 (2012: £158,397) is due from Free Power for Schools 6 Limited and an amount of £392,321 (2012: £244,207) is due from Free Power for Schools 17 Limited. Of these outstanding amounts, £738,751 (2012: £402,601) is included within debtors and £95,214 (2012: £nil) included within creditors.

P S Latham is a director of Fern Trading limited. During the year, a loan totalling £950,000 (2012: £nil) was received from Fern Trading limited. Interest of £2,577 (2012: £nil) has been charged to the company during the year. The loan amount owing to Fern Trading limited at the end of the period was £950,000 (2012: £nil).

### **9 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.