Adala Solar Limited

Abbreviated financial statements

for the year ended 31 December 2013

Registered Number 07931274

Adala Solar Limited

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for the year ended 31 December 2013

Contents

Adala Solar Limited

Directors and advisers

Directors
C R Hulatt
P McCartie

Company secretary
N Board

Registered office
4th 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

Independent auditors' report to the members of Adala Solar Limited under Section 449 of the Companies Act 2006

We have examined the abbreviated financial statements set out on pages 3 to 8, together with the financial statements of Adala Solar 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
16 September 2014

Adala Solar Limited

Abbreviated balance sheet as at 31 December 2013

	Note	**2013**	**2013**	2012	2012
				Restated	Restated
		£	**£**	£	£
Fixed assets					
Tangible assets	1	**3,742**		14,158	
Investments	2	**1**		1	
			3,743		14,159
Current assets					
Debtors : amounts falling due within one year	3	**19,308**		29,612	
Debtors : amounts falling due after more than one year	3	**1,798,587**		1,545,508	
Cash at bank and in hand		**205,611**		500,245	
			2,023,506		2,075,365
Creditors: amounts falling due within one year	4		**(187,612)**		(115,397)
Net current assets			**1,835,894**		1,959,968
Total assets less current liabilities			**1,839,637**		1,974,127
Creditors: amounts falling due after more than one year	5		**(450,000)**		(600,000)
Net assets			**1,389,637**		1,374,127
Capital and reserves					
Called up share capital	6		**14,000**		14,000
Share premium account			**1,337,000**		1,337,000
Profit and loss account			**38,637**		23,127
Total shareholders' funds			**1,389,637**		1,374,127

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 8 were approved by the board of directors on 16 September 2014 and were signed on its behalf by:

C R Hulatt
Director
Registered number 07931274

Adala Solar 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 profit, or net assets.

Restatement of balance sheet and related debtors
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 £1,545,508.

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:

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.

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.

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.

Statement of accounting policies (continued)

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.

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

1 Tangible assets

	Other fixed assets £
Cost	
At 1 January 2013 and 31 December 2013	**14,256**
Accumulated depreciation	
At 1 January 2013	98
Charge for the year	10,416
At 31 December 2013	**10,514**
Net book value	
At 31 December 2013	**3,742**
At 31 December 2012	14,158

2 Investments

	Subsidiary undertaking £
Cost	
At 1 January 2013	1
Additions	-
At 31 December 2013	**1**
Net book value	
At 31 December 2013	**1**
At 31 December 2012	1

The company owns 100% of the ordinary share capital of Lightsource SPV 33 Limited, a company registered in England and Wales.

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

3 Debtors

	2013	2012
	£	£
VAT recoverable	1,232	11,556
Trade debtors	4,440	-
Amounts owed by group undertakings	1,798,587	1,545,508
Prepayments and accrued income	13,636	-
Other debtors	-	18,056
	1,817,985	1,575,120

Included within other debtors is unpaid share capital of £0.20 (2012: £0.20).

4 Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	112	42,333
Accruals and deferred income	7,956	73,064
Amounts owed to group undertakings	178,237	-
Other creditors including taxation and social security	1,307	-
	187,612	115,397

5 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Debenture loans	450,000	600,000

Included within debenture loans is an amount of £450,000 (2012: £600,000) which is secured by a fixed and floating charge over the assets of the company and is repayable in more than five years.

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

6 Called up share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
1,400,020 (2012: 1,400,020) ordinary shares of £0.01 each	**14,000**	14,000

7 Related party transactions

During the period ended 31 December 2013, the company was charged £nil (2012: £20,000), £14,021 (2012: £nil) and refunded £15,188 (2012: recharged £78,898) 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. At the period end, an amount of £4,440 (2012: £40,317) was outstanding which is included in trade debtors (2012: trade creditors). Lightsource Renewable Energy Limited is the holder if the deferred shares in issue.

During the period, arrangement fees of £nil (2012: £70,000) 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 £480 (2012: £1,680) to the company. At the period end, an amount of £nil (2012: £2,016) was outstanding which is included in trade creditors.

During the period, the company met expenditure of £200,877 (2012: £1,435,553) and received revenue of £223,615 (2012: £10,531) on behalf of its wholly owned subsidiary, Lightsource SPV 33 Limited. The company also charged interest of £99,341 (2012: £120,789) to Lightsource SPV 33 Limited. At 31 December 2013, £1,620,350 (2012: £1,545,508) was outstanding of which £1,798,587 (2012: £1,545,508) is included in debtors and £178,237 (2012: £nil) is included in creditors.

8 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.