

REGISTERED NUMBER. 07853554 (England and Wales)

PARENT CO. ACCTS FOR

EASTON FARM SOLAR PARK LIMITED
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Low Carbon Ventures Limited

Consolidated Financial Statements for the Year Ended 31 December 2014

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Low Carbon Ventures Limited (Registered number: 07853554)

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for the Year Ended 31 December 2014**

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Low Carbon Ventures Limited (Registered number: 07853554)

**Company Information
for the Year Ended 31 December 2014**

Directors:

R B Bedlow
J P Cole
D B Williamson
G Woodcock

Registered office:

2nd Floor
13 Berkeley Street
London
W1J 8DU

Registered number:

07853554 (England and Wales)

Auditors:

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Low Carbon Ventures Limited (Registered number: 07853554)

**Directors' Report
for the Year Ended 31 December 2014**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2014

Principal activity

Low Carbon Ventures Limited's principal activities, including those of each of its subsidiaries, are focused on finding solutions to mitigate climate change

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements

Directors

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report

R B Bedlow
J P Cole
D B Williamson
G Woodcock

Disclosure of information to the auditors

So far as each person who was a director at the date of approving the report is aware, there is no relevant audit 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 is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

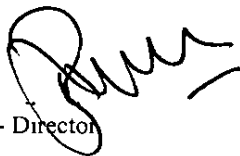
Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditors.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:



R B Bedlow - Director

Date

11/6/2015

**Statement of Directors' Responsibilities
for the Year Ended 31 December 2014**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare financial statements under International Financial Reporting Standards as adopted by the European Union.

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 those financial statements the directors are required to

- prepare fairly the financial position, financial performance and cashflows of the company,
- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance,
- state that the company has complied with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements, and
- make judgements that are reasonable.

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 auditor's report to members of
Low Carbon Ventures Limited (Registered number: 07853554)**

We have audited the financial statements of Low Carbon Ventures Limited for the year ended 31 December 2014 which comprise the Group Statement of Profit or Loss, Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent 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. In addition, we read all the financial and non-financial information in the directors' 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.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's loss for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other 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.

**Independent auditor's report to members of
Low Carbon Ventures Limited (Registered number: 07853554)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, 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, or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report

Ernst & Young LLP

Paul Wallek (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
1 More London Place
London
SE1 2AF

Date

12/6/15

Low Carbon Ventures Limited (Registered number: 07853554)

**Consolidated Statement of Profit or Loss
for the Year Ended 31 December 2014**

	Notes	2014 £	2013 £
Continuing operations			
Revenue	3	9,457,102	6,000,034
Other operating income	4	846,661	93,002
Administrative and development expenses	5	(6,227,588)	(5,177,025)
Depreciation		<u>(1,833,776)</u>	<u>(906,483)</u>
Operating profit/(loss)		2,242,399	9,528
Finance costs	5	(2,947,426)	(1,695,482)
Finance income	5	<u>39,111</u>	<u>-</u>
Loss before income tax	6	(665,916)	(1,685,954)
Income tax (expense)/benefit	7	<u>(472,408)</u>	<u>470,945</u>
Loss for the year		<u><u>(1,138,324)</u></u>	<u><u>(1,215,009)</u></u>
Loss attributable to			
Owners of the parent		(1,191,527)	(1,423,251)
Non-controlling interests		<u>53,203</u>	<u>208,242</u>
		<u><u>(1,138,324)</u></u>	<u><u>(1,215,009)</u></u>

The notes form part of these financial statements

Low Carbon Ventures Limited (Registered number: 07853554)

**Consolidated Statement of Other Comprehensive Income
for the Year Ended 31 December 2014**

	2014 £	2013 £
Loss for the year	(1,138,324)	(1,215,009)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>(1,138,324)</u>	<u>(1,215,009)</u>
 Total comprehensive income/(loss) attributable to		
Owners of the parent	(1,191,527)	(1,423,251)
Non-controlling interests	<u>53,203</u>	<u>208,242</u>
	<u>(1,138,324)</u>	<u>(1,215,009)</u>

The notes form part of these financial statements

Low Carbon Ventures Limited (Registered number: 07853554)

**Consolidated Statement of Financial Position
As at 31 December 2014**

	Notes	2014 £	2013 £
Assets			
Non-current assets			
Property, plant and equipment	9	38,094,596	38,546,049
Investments	10	1,000,000	655,039
Deferred tax	7	830,127	930,205
		<u>39,924,723</u>	<u>40,131,293</u>
Current assets			
Loans and other financial assets	11	7,814,947	948,687
Trade and other receivables	12	1,779,459	4,498,188
Cash and cash equivalents	13	5,964,373	2,493,559
Other assets	14	581,402	286,350
		<u>16,140,181</u>	<u>8,226,784</u>
Total assets		<u>56,064,904</u>	<u>48,358,077</u>
Equity			
Shareholders' equity			
Called up share capital	15	100	100
Retained earnings		<u>(7,019,814)</u>	<u>(5,828,287)</u>
		<u>(7,019,714)</u>	<u>(5,828,187)</u>
Non-controlling interests		<u>(56,717)</u>	<u>(109,920)</u>
Total equity		<u>(7,076,431)</u>	<u>(5,938,107)</u>
Liabilities			
Non-current liabilities			
Financial liabilities	17	26,007,466	44,884,946
Provisions	19	2,944,133	1,361,594
		<u>28,951,599</u>	<u>46,246,540</u>
Current liabilities			
Trade and other payables	16	4,291,868	6,496,540
Financial liabilities - borrowings	17	29,165,211	1,553,104
Tax payable		732,657	-
		<u>34,189,736</u>	<u>8,049,644</u>
Total liabilities		<u>63,141,335</u>	<u>54,296,184</u>
Total equity and liabilities		<u>56,064,904</u>	<u>48,358,077</u>

The financial statements were approved by the Board of Directors on
its behalf by

R B Bedlow - Director

11/6/2015

and were signed on

The notes form part of these financial statements

Low Carbon Ventures Limited (Registered number: 07853554)

**Company Statement of Financial Position
As at 31 December 2014**

	Notes	2014 £	2013 £
Assets			
Non-current assets			
Investments	10	1,000,220	655,284
Deferred tax	7	<u>54,623</u>	<u>170,691</u>
		<u>1,054,843</u>	<u>825,975</u>
Current assets			
Loans and other financial assets	11	25,205,083	22,727,913
Trade and other receivables	12	138,276	1,958,277
Cash and cash equivalents	13	<u>1,622,180</u>	<u>373,583</u>
		<u>26,965,539</u>	<u>25,059,773</u>
Total assets		<u>28,020,382</u>	<u>25,885,748</u>
Equity			
Shareholders' equity			
Called up share capital	15	100	100
Retained earnings		<u>599,951</u>	<u>347,016</u>
Total equity		<u>600,051</u>	<u>347,116</u>
Liabilities			
Non-current liabilities			
Financial liabilities	17	26,007,466	23,958,888
Current liabilities			
Trade and other payables	16	1,003,644	1,579,744
Income tax payable		<u>409,221</u>	<u>-</u>
		<u>1,412,865</u>	<u>1,579,744</u>
Total liabilities		<u>27,420,331</u>	<u>25,538,632</u>
Total equity and liabilities		<u>28,020,382</u>	<u>25,885,748</u>

The financial statements were approved by the Board of Directors on
its behalf by

R B Bedlow - Director

11/6/2015

and were signed on

The notes form part of these financial statements

Low Carbon Ventures Limited (Registered number. 07853554)

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2014**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2013	100	(4,405,036)	(4,404,936)	(318,162)	(4,723,098)
Changes in equity					
Total comprehensive loss	-	(1,423,251)	(1,423,251)	208,242	(1,215,009)
Balance at 31 December 2013	100	(5,828,287)	(5,828,187)	(109,920)	(5,938,107)
Changes in equity					
Total comprehensive loss	-	(1,191,527)	(1,191,527)	53,203	(1,138,324)
Balance at 31 December 2014	100	(7,019,814)	(7,019,714)	(56,717)	(7,076,431)

The notes form part of these financial statements

Low Carbon Ventures Limited (Registered number: 07853554)

**Company Statement of Changes in Equity
for the Year Ended 31 December 2014**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2013	100	33,703	33,803
Changes in equity			
Total comprehensive income	-	313,313	313,313
Balance at 31 December 2013	100	347,016	347,116
Changes in equity			
Total comprehensive income	-	252,935	252,935
Balance at 31 December 2014	100	599,951	600,051

The notes form part of these financial statements

Low Carbon Ventures Limited (Registered number: 07853554)

**Consolidated Statement of Cash Flows
for the Year Ended 31 December 2014**

	Note	2014 £	2013 £
Operating activities			
Loss before income tax		(665,916)	(1,685,954)
Depreciation		1,833,776	906,483
Amortisation of goodwill		-	82,700
Finance costs		2,947,426	1,313,306
Decrease/(increase) in trade and other receivables		2,747,984	(3,808,181)
Increase in trade and other payables		1,924,150	4,149,439
Decrease/(increase) in inventories		-	57,513
Net cash from operating activities		<u>8,787,420</u>	<u>1,015,306</u>
Cash flows from investing activities			
Purchase of property, plant & equipment		(4,005,406)	(32,996,800)
Disposal of investments		-	1,155,000
Purchase of investments		(344,961)	(345,039)
Increase in loans due from related parties		<u>(6,866,260)</u>	<u>(989,753)</u>
Net cash used in investing activities		<u>(11,216,627)</u>	<u>(33,176,592)</u>
Cash flows from financing activities			
Increase in bank loans		6,381,494	23,315,700
Increase in loans due to related parties		2,048,578	1,993,237
Interest paid		<u>(2,530,051)</u>	<u>(319,096)</u>
Net cash from financing activities		<u>5,900,021</u>	<u>24,989,841</u>
Increase/(decrease) in cash and cash equivalents		<u>3,470,814</u>	<u>(7,171,445)</u>
Cash and cash equivalents at beginning of year		<u>2,493,559</u>	<u>9,665,004</u>
Cash and cash equivalents at end of year 13		<u><u>5,964,373</u></u>	<u><u>2,493,559</u></u>

The notes form part of these financial statements

Low Carbon Ventures Limited (Registered number: 07853554)

**Company Statement of Cash Flows
for the Year Ended 31 December 2014**

	Note	2014 £	2013 £
Operating activities			
Profit for the year before income tax		428,680	485,801
Finance costs		837,295	994,210
Decrease/(increase) in trade and other receivables		1,820,001	(1,958,177)
(Decrease)/increase in trade and other payables		(15,273)	1,030,588
Net cash from operating activities		<u>3,070,703</u>	<u>552,422</u>
Cash flows from investing activities			
Purchase of investments		(344,936)	(345,039)
Disposal of investments		-	1,155,000
Increase in loans due from group undertakings		<u>(2,477,170)</u>	<u>(3,882,682)</u>
Net cash used in investing activities		<u>(2,822,106)</u>	<u>(3,072,721)</u>
Cash flows from financing activities			
Increase in loans due to group undertakings		2,048,578	1,042,465
Interest paid		<u>(1,048,578)</u>	<u>(994,210)</u>
Net cash from financing activities		<u>1,000,000</u>	<u>48,255</u>
Increase in cash and cash equivalents		<u>1,248,597</u>	<u>(2,472,044)</u>
Cash and cash equivalents at beginning of year		<u>373,583</u>	<u>2,845,627</u>
Cash and cash equivalents at end of year 13		<u><u>1,622,180</u></u>	<u><u>373,583</u></u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2014**

1 General information

Low Carbon Ventures Limited is a private limited company incorporated and domiciled in England and Wales. The address of the company's registered office is 2nd Floor, 13 Berkeley Street, London, W1J 8DU.

The principal activities of the company and of the group are focused on finding solutions to mitigate climate change. The group's interests are located in the UK. The principal accounting policies adopted by the group are set out in note 2.

2 Accounting policies

Statement of compliance

The group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations issued by the International Financial Reporting Interpretation Committee (IFRICs) as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006 as they apply to the financial statements of the Group and company for the year ended 31 December 2014.

Basis of preparation

The group and company's financial statements are prepared on the historical cost basis, as modified by the revaluation of certain financial instruments. The financial statements are presented in Sterling, and are rounded to the nearest pound except where otherwise indicated.

No statement of profit or loss is presented for Low Carbon Ventures Limited as permitted by Section 408 of the Companies Act 2006.

Basis of consolidation

The group financial statements comprise of the financial statements of Low Carbon Ventures Limited and its subsidiaries as at 31 December 2014. Subsidiary undertakings acquired during the period are recorded under the acquisition method of accounting, and their results consolidated from the date of acquisition, being the date on which the company obtains control, and continue to be consolidated until the date such control ceases. The financial statements of the subsidiaries are prepared using consistent accounting policies. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Going concern

The directors believe that the group is well placed to manage its business risks successfully. Having placed reliance on the support of the group's parent Andromeda LLP, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Segmental Reporting

For management purposes, the group is organised into one operating segment which provides only one service, being finding solutions to mitigate climate change through the construction and operation of solar parks. Accordingly, all operating disclosures are based upon analysis of the group as one segment. Geographically, the group operates solely in the United Kingdom.

Business combinations

All business combinations are accounted for by applying the acquisition method of accounting. The cost of the acquisition is measured at the aggregate of fair values, at the date of exchange of assets given, liabilities assumed, and equity instruments issued by the group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. All costs directly attributable to the business combination are recorded in the statement of profit or loss.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

2 Accounting policies - continued

Current versus non-current classification

The group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is

- Expected to be realised or intended to be sold or consumed in a normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when

- It is expected to be settled in a normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities

Fair value measurement

The group measures financial instruments and non-financial assets at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as shown above.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

2 Accounting policies - continued

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period, except for the following amendments to IFRS effective as of 1 January 2014. Their adoption has not had any significant impact on the amounts reported in the financial statements but may impact the accounting for future transactions and arrangements.

Offsetting financial assets and financial liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the group, since none of the entities in the Group has any offsetting arrangements.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Group.

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Group, since the Group is an existing IFRS preparer.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

		Effective for periods Commencing
IAS 24	Related party disclosures	1 January 2016
IAS 16	Property, plant and equipment	1 January 2016
IFRS 9	Financial instruments	1 January 2018

The above standards and interpretations are expected to be adopted in accordance with their effective dates and have not been adopted in these financial statements. The directors do not anticipate that adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

2 Accounting policies - continued

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Items of property, plant and equipment are depreciated to their estimated residual values on a straight line basis over their expected useful lives as follows:

Solar PV assets	- over 25 years
Inverters	- over 15 years
Other assets	- over 4 years

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking account of technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in the profit or loss. Depreciation commences when an asset is available for use.

Borrowing costs

Borrowing costs directly attributable to assets under construction and which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset.

Taxation

Current tax

Current taxes are based on the results shown in the financial statements and are calculated using tax rates enacted or substantially enacted by the statement of financial position date.

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax

Deferred taxation is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date. Full provision is made without discounting for all deferred tax liabilities. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered against taxable profits.

Decommissioning provision

Liabilities for decommissioning costs are recognised when the company has an obligation to dismantle and remove the Solar PV equipment and to restore the land on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements. A corresponding tangible item of property, plant and equipment equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure is added to or deducted from the cost of the assets to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted for as appropriate.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

2 Accounting policies - continued

Impairment of non-financial assets

Impairment of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

If the recoverable amount of the asset is estimated to be less than the carrying amount, the carrying amount of the asset or cash-generating unit is reduced to the recoverable amount. The impairment is recognised in the profit or loss as an expense. Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash flows independently, the recoverable amount is determined for the larger cash-generating unit to which the asset belongs.

A previously recognised impairment will be reversed insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the profit or loss.

After recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

Leases

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Investments in subsidiaries

Subsidiary undertakings are all entities over which the group has power to govern the financial and operating policies so as to obtain benefit from their activities.

The investments in subsidiaries held by the company are valued at cost less any provision for impairment that is considered to have occurred, the resultant loss being recognised in the profit or loss.

Financial instruments

Financial instruments recognised on the statement of financial position include trade and other receivables, cash and cash equivalents, accounts payable, and other financial assets/liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liabilities not recorded at fair value through profit and loss, transactions costs that are attributable to the acquisition of the financial asset or financial liability. Subsequent measurement and impairment for each classification is specified in the sections below.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell a financial asset.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

2 Accounting policies – continued

De-recognition of financial assets and liabilities

A financial asset, or a portion of a financial asset, is derecognised when

- The rights to receive cash flows from the asset have expired,
- The company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement, or
- The company has transferred the rights to receive cash flows from the asset and either
 - (i) has transferred substantially all the risks and rewards of the assets, or
 - (ii) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired

Trade and other receivables

Subsequent to initial measurement, trade and other receivables are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the receivables are derecognised or impaired, as well as through the amortisation process.

Trade and other receivables reflected on the statement of financial position are net of an allowance for uncollectible amounts.

Financial liabilities

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest amortisation is included as finance costs in the statement of profit or loss.

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 company after deducting all of its liabilities. Any instrument that includes a repayment obligation is classified as a liability.

Where the contractual liabilities of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities, and are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the profit or loss. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Where the contractual terms of share capital do not have any features meeting the definition of a financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 **Accounting policies – continued**

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment

Assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred, it is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument held at cost, then the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. The loss is recognised in profit or loss. Such impairment losses are not reversed.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of ordinary equity shares
- "Retained earnings" include all current results as disclosed in the statement of profit or loss

Revenue recognition

Revenue represents monies from the generation of energy from operational solar parks during the period. Any uninvoiced revenue is accrued in the period in which it has been generated.

Revenue is stated net of value added tax and is generated entirely within the United Kingdom.

Refer to the significant accounting estimates and assumptions for estimates made in determining revenue.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rates when the fair value was determined.

2 Accounting policies – continued

Significant accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting policies and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. These relate to

- *Capitalisation and depreciation of property, plant and equipment, including decommissioning costs*

As part of the measurement and recognition of assets and liabilities in 2014, the company continues to recognise a provision for decommissioning obligations associated with its solar parks. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 31 December 2014 was £2,944,133 (2013: £1,361,594).

- *Revenue relating to the accrued income for ROCS and LECS*

The number of Renewable Obligation Certificates ("ROCS") and Levy Exempt Certificates ("LECS") are calculated each month based on the net number of mega-watts of power exported. The ROC price is fixed for each Compliance Period ("CP") which runs from 1 April to 31 March and is published in advance by Ofgem. The LEC is an exemption to the Climate Change Levy ("CCL") which is published in advance of the tax year by HMRC. The ROC recycle price is subject to market forces and is not published by Ofgem until September following the accounting year end. Management have adopted the policy of recognising ROC Recycle revenue once on an annual basis, at a time when the price can be reliably estimated (typically when there is public information on the key drivers of the price, including ROCs supplied and energy demand). For the year ended 31 December 2014, no ROC recycle revenue has been accrued in respect of ROCs generated for CP13 (1 April 2014 to 31 December 2014). This revenue (if any) will be recognised in the following accounting year when the price is confirmed.

- *Deferred taxes*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Financial risk management objectives and policies

The group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

2 Accounting policies - continued

Financial risk management objectives and policies - continued

The group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. The group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the group. The financial risk committee provides assurance to the group's senior management that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as at 31 December 2014 and 2013.

The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt at 31 December 2014.

In calculating the sensitivity analysis it has been assumed the sensitivity of the relevant statement or profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2014 and 2013.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates.

The group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. At 31 December 2014, approximately 47% of the group's borrowings are at a fixed rate of interest (2013: 51%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ Decrease in basis points	Effect on profit before tax £
2014	+50	145,826
	-50	(145,826)
2013	+50	112,396
	-50	(112,396)

2 Accounting policies - continued

Market risk - continued

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the company's policy following the requirement under the project finance agreement.

Trade receivables

Customer credit risk is managed by the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2014 and 2013 is the carrying amounts.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The group's policy to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions.

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds.

Refer to note 17 for a table summarising the maturity of the group's financial liabilities.

Trade and other payables in most circumstances are due within 3 months from the date of invoice.

3 Revenue

Revenue recognised in the statement of profit or loss is analysed as follows:

	Group	
	2014	2013
	£	£
Energy generation and development fees	<u>9,457,102</u>	<u>6,000,034</u>

All turnover arose in the United Kingdom and is stated net of trade discounts, VAT and other similar taxes.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

4 Other operating income

	Group 2014 £	2013 £
Liquidated damages	380,056	93,002
Gain on disposal of investments	466,605	-
	<u>846,661</u>	<u>93,002</u>

Liquidated damages relate to compensation received from the engineering, procurement and construction ("EPC") contractor, where the level of performance of the solar park falls below the level guaranteed under the EPC contract. The amount presented in the Statement of Profit or Loss represents the portion of the compensation that covers for lost revenue that would have been achieved if the solar park performed at the guaranteed level.

The gain on disposal reflects the recovery of incurred costs on sale of subsidiaries.

5 Net finance costs

	2014 £	2013 £
Finance income		
Interest income	<u>39,111</u>	<u>-</u>
Finance costs		
Bank interest	1,481,918	319,090
Loan interest to ultimate parent	837,295	994,216
Commitment fees	96,144	117,327
Unwinding of decommissioning discount	77,514	-
Amortisation of facility fees	<u>454,555</u>	<u>264,849</u>
	<u>2,947,426</u>	<u>1,695,482</u>
Net finance costs	<u>2,908,315</u>	<u>1,695,482</u>

6 Loss before income tax

The loss before income tax is stated after charging

	2014 £	2013 £
Depreciation	1,833,776	906,483
Professional fees	2,072,270	1,770,014
Employee costs	1,677,842	1,466,361
Development expenses	1,079,364	334,089
Management costs	425,839	150,510
Land costs	485,907	310,861

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

6 Loss before income tax - continued

Remuneration

For the year, the directors were employed by, and received all emoluments from, other Andromeda Capital Partners Group undertakings. The directors perform directors' duties for multiple entities in the Andromeda Capital Partners group, as well as their employment duties within Andromeda Capital Partners group businesses. Consequently, allocating their employment compensation across all these duties would mean any amounts allocated to their duties for the group and company would be an immaterial nominal amount. Accordingly, no separate remuneration has been disclosed.

7 Income tax

(a) Income tax on loss on ordinary activities

Income tax charged in the consolidated statement of profit or loss

	2014 £	2013 £
Current tax:		
UK Corporation tax on the result for the year	481,283	391,536
Adjustments in respect of prior period	<u>(118,223)</u>	<u>(7,916)</u>
	363,060	383,620
Deferred tax:		
Origination and reversal of temporary differences - current	(4,987)	(141,187)
Origination and reversal of temporary differences - prior year	113,348	29,592
Elimination of intra-group profit on sale	-	(742,970)
Effect of changes in tax rates	<u>987</u>	<u>-</u>
Income tax (benefit)/expense in consolidated statement of profit or loss	<u>472,408</u>	<u>(470,945)</u>

(b) Reconciliation of the total income tax charge

The income tax expense in the consolidated statement of profit or loss for the year differs from the standard rate of corporation tax in the UK of 21.49% (2013 – 23.25%). The differences are reconciled below:

	2014 £	2013 £
Accounting loss before taxation	<u>(665,916)</u>	<u>(1,685,954)</u>
At standard rate of corporation tax in the UK of 21.49% (2013 – 23.25%)	(143,105)	(391,984)
Tax effect of non-deductible or non-taxable items	312,678	149,250
Transfer from unrecognised deferred tax asset	-	(467,340)
Non-taxable profit on disposal	(100,273)	-
Adjustment in respect of prior periods	(4,875)	21,676
Pre-trading expenses brought forward	-	(37)
Movement in un-provided deferred tax	406,996	143,667
Rate change to profit or loss	<u>987</u>	<u>73,826</u>
Income tax (benefit)/expense in consolidated statement of profit or loss	<u>472,408</u>	<u>(470,945)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

7 Income tax - continued

(c) Factors that may affect future tax charges

The UK corporation tax rate was reduced from 23% to 21% effective 1 April 2014. Further changes reducing the rate to 20% in 2015 were substantively enacted as at the balance sheet date. Any deferred tax expected to reverse in the year to 31 March 2016 has been re-measured using the rates substantively enacted at 31 December 2014.

(d) Deferred tax

The deferred tax included in the statement of financial position is as follows

Group

	2014 £	2013 £
Deferred tax asset		
Balance brought forward	930,205	-
Other timing differences	-	170,691
Elimination of intra-group profit	-	742,970
Other differences	-	16,544
Adjustment in respect of prior years	(113,348)	-
Deferred tax charge to profit or loss for the period	13,270	-
	<u>830,127</u>	<u>930,205</u>

Company

	2014 £	2013 £
Deferred tax asset		
Balance brought forward	170,691	-
Adjustment in respect of prior years	(131,667)	-
Deferred tax charge to profit or loss for the year	15,599	-
Other timing differences	-	170,691
	<u>54,623</u>	<u>170,691</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014

8 Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit or loss of the parent company is not presented as part of these financial statements. The parent company's profit after tax for the financial year was £252,935 (2013 a profit of £313,313)

9 Property, plant and equipment

Group

	Assets under construction £	Solar PV assets £	Inverters £	Other assets £	Totals £
Cost					
At 1 January 2014	14,616,472	24,821,010	-	15,050	39,452,532
Additions	68,706	136,872	-	75,256	280,834
Disposals	(326,411)	-	-	-	(326,411)
Decommissioning estimate	-	1,505,025	-	-	1,505,025
Prior year adjustment	-	(77,125)	-	-	(77,125)
Reclassification/transfer	(14,290,061)	11,255,246	3,034,815	-	-
At 31 December 2014	68,706	37,641,028	3,034,815	90,306	40,834,855
Depreciation					
At 1 January 2014	-	899,883	-	6,600	906,483
Reclassification/transfer	-	(88,106)	88,106	-	-
Charge for year	-	1,599,420	222,724	11,632	1,833,776
At 31 December 2014	-	2,411,197	310,830	18,232	2,740,259
Net book value					
At 31 December 2014	68,706	35,229,831	2,723,985	72,074	38,094,596
At 31 December 2013	14,616,472	23,921,127	-	8,450	38,546,049

The amount of the borrowing costs capitalised during the year ended 31 December 2014 was £ Nil (2013 - £92,993)

10 Investments

Company

	Subsidiary undertakings £	Other investments £	Total £
Cost			
At 31 December 2013	245	655,039	655,284
Additions	1	344,961	344,962
Disposals	(26)	-	(26)
At 31 December 2014	220	1,000,000	1,000,220

Low Carbon Ventures Limited (Registered number: 07853554)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

10 Investments - continued

Group

	Other investments £	Total £
Cost		
At 31 December 2013	655,039	655,039
Additions	<u>344,961</u>	<u>344,961</u>
At 31 December 2014	<u>1,000,000</u>	<u>1,000,000</u>

Details of the investments in which the parent company held 20% or more of the nominal value of any class of share capital as at 31 December 2014 are as follows (* held by a subsidiary undertaking)

Name of company	Holding	Proportion of voting rights and shares held
Armstrong Waste Wind Farm Limited	Ordinary shares	100%
Balliemeanoch Wind Farm Limited	Ordinary shares	100%
Budby Solar Park Limited	Ordinary shares	100%
Caldecote Solar Park Limited	Ordinary shares	100%
Callington Solar Park Limited*	Ordinary shares	90%
Cleator Solar Park Limited	Ordinary shares	100%
Comfort Park Solar Park Limited	Ordinary shares	100%
Cookley Solar Park Limited	Ordinary shares	100%
Corton Farm Solar Park Limited	Ordinary shares	100%
Easton Farm Solar Park Limited	Ordinary shares	100%
Eythorne Solar Park Limited	Ordinary shares	100%
Forbo Flooring Wind Farm Limited	Ordinary shares	100%
Fulford Solar Park Limited	Ordinary shares	100%
Glenmorangie Wind Farm Limited	Ordinary shares	100%
Godsfield Solar Park Limited	Ordinary shares	100%
GreenRock Solar Limited	Ordinary shares	100%
Hawkchurch Solar Park Limited	Ordinary shares	100%
Hazleton Solar Park Limited	Ordinary shares	100%
Hellums Field Solar Park Limited*	Ordinary shares	90%
Hope Solar Park Limited*	Ordinary shares	90%
Huddlestone Solar Park Limited	Ordinary shares	100%
Inazin Limited	Ordinary shares	60%
Inazin Power Limited*	Ordinary shares	60%
Inazin Solar Limited*	Ordinary shares	60%
Inazin Wind Limited*	Ordinary shares	60%
Kemble Solar Park Limited	Ordinary shares	100%
Lodge Farm Solar Park Limited	Ordinary shares	100%
Loosedon Cross Solar Park Limited	Ordinary shares	100%
Low Carbon Bond Company Limited	Ordinary shares	90%
Low Carbon Services (UK) Limited	Ordinary shares	100%
Low Carbon Solar Finance Limited*	Ordinary shares	90%
Parham Solar Park Limited	Ordinary shares	100%
Pembrey Central Solar Park Limited	Ordinary shares	100%
Pembrey North Solar Park Limited	Ordinary shares	100%
Perranporth Renewable Energy Centre Limited	Ordinary shares	100%
Runcton Solar Park Limited	Ordinary shares	100%

Low Carbon Ventures Limited (Registered number: 07853554)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

10 Investments - continued

Name of company	Holding	Proportion of voting rights and shares held
Skegness Solar Park Limited	Ordinary shares	100%
Snailwell Solar Park Limited	Ordinary shares	100%
St Allens Solar Park Limited	Ordinary shares	100%
St Stephens Solar Park Limited	Ordinary shares	100%
Trigon Solar Park Limited*	Ordinary shares	90%
Upper Wick Solar Park Limited	Ordinary shares	50%
Vaila Wind Farm Limited	Ordinary shares	100%
Valley Farm Solar Park Limited	Ordinary shares	100%
Warleigh Barton Solar Park Limited*	Ordinary shares	90%
Wilmington Solar Park Limited*	Ordinary shares	90%

For the year ended 31 December 2014 the above subsidiaries were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies except for the following who have prepared audited financial statements,

- Low Carbon Solar Finance Limited
- Inazin Limited

11 Loans and other financial assets

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts due from other related parties	<u>7,814,947</u>	<u>948,687</u>	<u>25,205,083</u>	<u>22,727,913</u>

The fair value measurement of loans to group undertakings has been determined based on significant observable inputs (level 2)

Details of the terms of these loans is detailed in note 20

12 Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Current				
Trade receivables	466,320	775,312	-	-
Other debtors	921	4,709	370	4,459
Other taxes	-	1,205,505	-	50
Accrued income	961,658	435,592	-	-
Prepayments	<u>350,560</u>	<u>2,077,070</u>	<u>137,906</u>	<u>1,953,768</u>
	<u>1,779,459</u>	<u>4,498,188</u>	<u>138,276</u>	<u>1,958,277</u>

Due to the nature of these receivables, the carrying value approximates the fair value

Trade receivables are non-interest bearing and are generally receivable on 30 days' terms. More than 92% of accounts receivable balances were 60 days old or less at the balance sheet date

Low Carbon Ventures Limited (Registered number: 07853554)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

13 Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Cash at bank and in hand	<u>5,964,373</u>	<u>2,493,559</u>	<u>1,622,180</u>	<u>373,583</u>

14 Other assets

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other assets	<u>581,402</u>	<u>286,350</u>	<u>-</u>	<u>-</u>

Other assets represent deposits made by subsidiaries for early stage development costs

15 Called up share capital

Allotted, issued and fully paid		Nominal value	2014	2013
Number	Class		£	£
99	A Ordinary	1	99	99
1	B Ordinary	1	<u>1</u>	<u>1</u>
			<u>100</u>	<u>100</u>

On 19 December 2012 the one ordinary share in the company was re-designated as an A Ordinary shares and a further 98 A Ordinary shares were issued. On 19 December 2012 one B Ordinary share was issued.

16 Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Current				
Trade payables	934,302	71,045	-	1,800
Other taxes and social security costs	228,958	31,600	-	-
Corporation tax	-	413,870	-	353,968
Other creditors	7,317	245	220	245
Accrued expenses	<u>3,121,291</u>	<u>5,979,780</u>	<u>1,003,424</u>	<u>1,223,731</u>
	<u>4,291,868</u>	<u>6,496,540</u>	<u>1,003,644</u>	<u>1,579,744</u>

The above payables are all unsecured. Due to the nature of trade and other payables, their carrying value is assumed to approximate the fair value.

Low Carbon Ventures Limited (Registered number. 07853554)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

17 Financial liabilities

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Current				
Bank loans	<u>29,165,211</u>	<u>1,553,104</u>	<u>-</u>	<u>-</u>
Non-current				
Bank loans	-	20,926,058	-	-
Loans due to parent	<u>26,007,466</u>	<u>23,958,888</u>	<u>26,007,466</u>	<u>23,958,888</u>
	<u>26,007,466</u>	<u>44,884,946</u>	<u>26,007,466</u>	<u>23,958,888</u>

Terms and debt repayment schedule are as follows

Group

	1 year or less £	2-5 years £	Totals £
Bank loans	29,165,211	-	29,165,211
Loans due to parent	<u>-</u>	<u>26,007,466</u>	<u>26,007,466</u>
	<u>29,165,211</u>	<u>26,007,466</u>	<u>55,172,677</u>

The fair value measurement of interest bearing loans and borrowings has been determined based on significant observable inputs (level 2)

Details of the terms of these loans are given in note 20

18 Commitments

Obligations under operating leases

The future minimum rentals payable under non-cancellable operating leases are as follows

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Land and buildings				
Not later than one year	213,468	6,468	-	-
After one year but not more than five years	124,688	2,764	-	-
After five years	<u>715,867</u>	<u>195,260</u>	<u>-</u>	<u>-</u>
	<u>1,054,023</u>	<u>204,492</u>	<u>-</u>	<u>-</u>

Low Carbon Ventures Limited (Registered number. 07853554)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

19 Provisions

Group

	2014 £	2013 £
Decommissioning movement:		
At 1 January	1,361,594	-
Change in estimate	1,505,025	1,361,594
Unwinding of discount and changes in discount rate	77,514	-
At 31 December	<u>2,944,133</u>	<u>1,361,594</u>

A provision has been recognised for decommissioning costs associated with the solar parks. The group is committed to decommissioning the sites at the end of the 25 year lease.

20 Related party disclosures

Assets

Included in note 11 is £7,814,947 (2013 £948,687) receivable from the Low Carbon Limited Group, a group which is headed by Andromeda Capital Partners LLP. Of the amounts, £885,287 (2013 £nil) has been lent directly to subsidiaries in development. These loans are repayable on demand.

Liabilities

Included in note 17 is £23,149,225 (2013 £21,100,657) due to Andromeda Capital Partners LLP. Included in note 5 is £978,049 (2013 £853,457) of interest charged on those amounts in the year. The loan notes are repayable if certain conditions are met and by no later than the final redemption date of 31 December 2017. Andromeda Capital Partners LLP holds a debenture charge over this loan dated 12 March 2012.

Included in note 17 is £2,858,241 (2013 £2,858,241) due to Low Carbon Group Limited, a company which is headed by Andromeda Capital Partners LLP.

Included in note 16 is accrued expenses of £1,176,901 (2013 £140,000) due to Low Carbon Limited Group, a group which is headed by Andromeda Capital Partners LLP.

Other

Included in Revenue is an £2,566,547 of Developer Fees charged by Inazin Power Ltd to other Associate entities in the Andromeda Capital Partners LLP Group.

21 Events after the reporting period

Following a group reorganisation in March 2015, Low Carbon Solar Finance Limited has consolidated its loans with a new immediate parent company entity, Low Carbon Solar Holding 2 Limited. Low Carbon Solar Holding 2 Limited has entered into a new loan with Macquarie Infrastructure Debt Investment Solutions for 19 years. This transaction enabled Low Carbon Solar Finance to repay its bank loan with Investec on 30 March 2015.

22 Ultimate controlling party

In the directors' opinion the company's immediate and ultimate parent undertaking and controlling party at 31 December 2014 is Andromeda Capital Partners LLP, a Limited Liability Partnership incorporated in England and Wales. The largest group in which the company is consolidated and which publishes consolidated accounts is Andromeda Capital Partners LLP, whose accounts can be obtained from Andromeda Capital Partners LLP, Oxygen House, Grenadier Road, Exeter Business Park, Exeter, EX1 3LH.