Registered number: 08316668

Adalinda solar SPV 1 Limited

Directors' report and financial statements for the period ended 30 June 2017

Adalinda solar SPV 1 Limited

Contents

Adalinda solar SPV 1 Limited

Company information

Directors	S Goss P S Latham T Rosser
Company secretary	S Ludlow
Registered number	08316668
Registered office	6th Floor 33 Holborn London EC1N 2HT
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Bankers	Barclays 1 Churchill Place London E14 5HP

Adalinda solar SPV 1 Limited

Directors' report
for the period ended 30 June 2017

The directors present their report and the audited financial statements of the company for the period ended 30 June 2017.

Principal activities
The company is a wholly owned subsidiary of a group of companies of which the principal activities are that of construction and operation of solar plants and the generation of solar power.

Results and dividends
The loss for the period, after taxation, amounted to £379,700 (2016: £1,699,498).

No interim dividends have been paid out during the period (2016: £nil). The directors' have not proposed a final dividend (2016: £nil).

Going concern
The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors
The directors who served during the period and up to the date of signing the financial statements, unless otherwise indicated, are given below:

S Goss
P S Latham
T Rosser

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Adalinda solar SPV 1 Limited

Directors' report
for the period ended 30 June 2017

Statement of disclosure of information to auditors

Each of the persons who are directors at the time of approval of this report has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on 28 March 2018 and signed on its behalf.

T Rosser
Director

Independent auditors' report to the members of Adalinda solar SPV 1 Limited

Report on the financial statements

Opinion

In our opinion, Adalinda solar SPV 1 Limited's financial statements (the 'financial statements'):

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 30 June 2017; the statement of comprehensive income for the period then ended; the statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditors' report to the members of Adalinda solar SPV 1 Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the period ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Adalinda solar SPV 1 Limited

Independent auditors' report to the members of Adalinda solar SPV 1 Limited

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Richard Lingwood

Richard Lingwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
Date: 28 March 2018

Adalinda solar SPV 1 Limited

Statement of comprehensive income
for the period ended 30 June 2017

	Note	Period ended 30 June 2017 £	Year ended 31 December 2016 £
Turnover	4	**902,012**	1,322,578
Cost of sales		**(449,041)**	(1,247,140)
Gross profit		**452,971**	75,438
Administrative expenses		**(162,297)**	(465,139)
Operating profit/(loss)	6	**290,674**	(389,701)
Interest receivable and similar income		**-**	422
Interest payable and similar charges		**(670,374)**	(1,310,219)
Loss on ordinary activities before taxation		**(379,700)**	(1,699,498)
Tax on loss on ordinary activities	7	**-**	-
Loss for the financial period/year		**(379,700)**	(1,699,498)
Other comprehensive income/(expense) for the period/year			
Change in the value of hedging instrument		**67,912**	(130,623)
Other comprehensive income/(expense) for the period/year		**67,912**	(130,623)
Total comprehensive expense for the period/year		**(311,788)**	(1,830,121)

All amounts above relate to continuing operations.

The company has no items of other comprehensive income for the current period or preceding financial year. Therefore no separate statement of other comprehensive income has been presented.

The notes on pages 10 to 21 form part of these financial statements.

Statement of financial position
as at 30 June 2017

	Note	2017	2017	2016	2016
		£	£	£	£
Fixed assets					
Tangible fixed assets	8		11,967,516		12,354,033
Current assets					
Debtors	9	685,383		1,081,281	
Cash at bank and in hand		1,560,642		1,238,061	
		2,246,025		2,319,342	
Creditors: amounts falling due within one year	10	(8,753,728)		(8,650,241)	
Net current liabilities			(6,507,703)		(6,330,899)
Total assets less current liabilities			5,459,813		6,023,134
Creditors: amounts falling due after more than one year	11		(10,458,014)		(10,709,547)
Net liabilities			(4,998,201)		(4,686,413)
Capital and Reserves					
Called up share capital	13		10		10
Cash flow hedge reserve			(330,791)		(398,703)
Retained earnings			(4,667,420)		(4,287,720)
Total shareholders' deficit			(4,998,201)		(4,686,413)

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 March 2018.

T Rosser
Director

The notes on pages 10 to 21 form part of these financial statements.

Adalinda solar SPV 1 Limited

Statement of changes in equity
for the period ended 30 June 2017

	Called up share capital	Cash flow hedge reserve	Retained earnings	Total shareholders' deficit
	£	£	£	£
At 1 January 2016	-	(268,080)	(2,588,222)	(2,856,302)
Loss for the financial year	-	-	(1,699,498)	(1,699,498)
Change in value of hedging instrument	-	(130,623)	-	(130,623)
Issue of share capital	10	-	-	10
At 31 December 2016	10	(398,703)	(4,287,720)	(4,686,413)
At 1 January 2017	**10**	**(398,703)**	**(4,287,720)**	**(4,686,413)**
Loss for the financial period	-	-	**(379,700)**	**(379,700)**
Change in value of hedging instrument	-	**67,912**	-	**67,912**
At 30 June 2017	**10**	**(330,791)**	**(4,667,420)**	**(4,998,201)**

The notes on pages 10 to 21 form part of these financial statements.

1. General information

Adalinda solar SPV 1 Limited is a private company, limited by shares, incorporated in and domiciled in England, the United Kingdom, registered number 08316668. The registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

The company is a wholly owned subsidiary of a group of companies of which the principal activities are that of construction and operation of solar plants and the generation of solar power.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention except for financial instruments which are held at fair value and in accordance with of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemptions for qualifying under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

2.3 Going concern

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Foreign currency

(i) Functional and presentation currency
The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within administrative expenses.

Adalinda solar SPV 1 Limited

Notes to the financial statements
for the period ended 30 June 2017

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income. 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:

Long-term leasehold property	- 4% straight-line
Plant and machinery	- 4% and 10% straight-line

2.9 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

2. Accounting policies (continued)

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

2.15 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.16 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Operating leases

Rentals under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.18 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost and amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2. Accounting policies (continued)

2.19 Hedge accounting

The company uses variable to fixed interest rate swaps to manage its exposure to fair value risk on its financial instruments. These derivatives are measured at fair value at each reporting date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the period. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

2.20 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2. Accounting policies (continued)

2.21 Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resource is remote.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies

There are no critical judgements in applying the entity's accounting policies.

(b) Critical accounting estimates and assumptions

The fair value of derivative financial instruments is considered to be a critical accounting estimate. This valuation is made in conjunction with the mark - to - market confirmations supplied by the derivative counterparties.

Adalinda solar SPV 1 Limited

Notes to the financial statements
for the period ended 30 June 2017

4. Turnover

The whole of the turnover is attributable to the company's main activity which is carried out in the United Kingdom.

No analysis of turnover is presented as the directors consider such disclosure to be seriously prejudicial to the interests of the company.

5. Employees and directors' remuneration

The company has no employees other than the directors, who did not receive or waive any remuneration (year ended 31 December 2016: £nil).

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	**386,517**	783,950
Auditors' remuneration	**927**	1,910
Auditors' remuneration - accounts preparation	**302**	625
Auditors- remuneration - taxation compliance services	**348**	725
Operating lease charge	**31,814**	62,541
Movement on impairment of other debtors	-	233,900

7. Tax on loss on ordinary activities

The tax on loss on ordinary activities is stated after charging:

	2017	2016
	£	£
UK corporation tax charge on loss for the period/year	-	-

The company has no tax liability for the period and there are tax losses of approximately £589,193 (2016: £630,997) available to carry forward. The company has not recognised a deferred tax asset in respect of losses available to carry forward due to there being insufficient certainty regarding its recovery.

Adalinda solar SPV 1 Limited

Notes to the financial statements
for the period ended 30 June 2017

8. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Total
	£	£	£
Cost			
At 1 January 2017 and 30 June 2017	58,066	15,119,602	**15,177,668**
Accumulated depreciation			
At 1 January 2017	5,171	2,818,464	2,823,635
Charge for the year	1,128	385,389	386,517
At 30 June 2017	**6,299**	**3,203,853**	**3,210,152**
Net book value			
At 30 June 2017	**51,767**	**11,915,749**	**11,967,516**
At 31 December 2016	52,895	12,301,138	12,354,033

9. Debtors

	2017	2016
	£	£
Trade debtors	**158,868**	124,562
Amounts owed by group undertakings	-	436,700
Other debtors	**10**	33,589
Prepayments and accrued income	**526,505**	486,430
	685,383	1,081,281

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

10. Creditors - amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	**7,492,895**	7,710,673
Trade creditors	**60,307**	105,082
Amounts owed to group undertakings	**485**	285,101
Other creditors	**97,090**	-
Accruals and deferred income	**742,496**	120,232
Financial instruments	**360,455**	429,153
	8,753,728	8,650,241

Included within bank loans and overdrafts is an amount of £7,492,895 (2016: £7,710,673) which is secured by a fixed and floating charge over the assets of the company. The loan bears interest at 3.56% (2016: 3.56%).

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11. Creditors - amounts due after more than one year

	2017	2016
	£	£
Amounts owed to group undertakings	**10,458,014**	10,709,547
	10,458,014	10,709,547

Included within amounts owed to group undertakings are unsecured loans with year end balances totalling £10,458,014 (2016: £10,709,547). The loans bear interest at 8% (2016: 8%).

12. Financial instruments

	2017	2016
	£	£
Financial assets		
Financial assets measured at amortised cost	**98,572**	594,851
Financial liabilities		
Financial liabilities held at amortised cost	**18,851,287**	18,930,635
Financial liabilities measured at fair value through the statement of comprehensive income	**360,455**	429,153
	19,211,742	19,359,788

13. Called up share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
1,000 (2016: 1,000) Ordinary shares of £0.01	**10**	10
0 (2016: 20) Deferred shares of £nil (2016: £0.01)	-	-
	10	10

14. Contingent liabilities

The company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. The directors believe that given the nature of the assets, the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets and as such the directors do not believe that an outflow is probable to settle this restoration obligation. The directors will continue to monitor this situation at each balance sheet date.

15. Derivative financial instruments

The company enters into interest rate swaps to mitigate interest rate risk on its bank loans. At 30 June 2017 the outstanding contracts have a maturity in excess of one year. The company is committed to LIBOR and pay a fixed rate amount.

	2017	2016
	£	£
Measured at fair value through other comprehensive income	**360,455**	429,153

16. Operating lease commitments

At 30 June 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Expiry date:		
Not later than one year	**63,102**	62,004
Later than one year and not later than five years	**277,966**	267,543
Later than five years	**1,653,275**	1,726,799
	1,994,343	62,541

17. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 30 June 2017 it was a wholly owned subsidiary.

Notes to the financial statements
for the period ended 30 June 2017

18. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Elios Energy DS3 Holdings 2 Limited, which is the smallest group to consolidate these financial statements.

The ultimate parent undertaking is Fern Trading Limited, a company incorporated in the UK. Copies of consolidated financial statements can be obtained from the Company Secretary, 6th Floor, 33 Holborn, London, EC1N 2HT.