LEVANTERA DEVELOPMENTS LIMITED

COMPANY NUMBER 8272295

Directors' Report and Financial Statements
for the financial year ended 31 March 2017



The Company's registered office is:

Ropemaker Place
28 Ropemaker Street
London EC2Y 9HD
United Kingdom

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Levantera Developments Limited

2017 Directors' Report and Financial Statements

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Directors' Report
for the financial year ended 31 March 2017
Company Number 8272295

In accordance with a resolution of the directors (the "Directors") of Levantera Developments Limited (the "Company"), the Directors submit herewith the audited financial statements of the Company and report as follows:

As the Company meets the qualifying conditions under Section 382 of the Companies Act 2006 (the "Act"), the Directors have taken advantage of the exemption provided in Sections 414B (as incorporated into the Act by the Strategic Report and Directors' Report Regulations 2013) and 415A of the Act for the preparation of a Strategic Report.

Directors and Secretaries

The Directors who each held office as a Director of the Company throughout the year and until the date of this report, unless disclosed otherwise, were:

H Coleman	
K Pippin	(resigned 12 June 2017)
J Rabinov	(resigned 15 April 2016, re-appointed 12 June 2017)
N Woloszczuk	

The Secretaries who each held office as a Secretary of the Company throughout the year and until the date of this report, unless disclosed otherwise, were:

H Everitt	
O Shepherd	(resigned 16 December 2016)

Principal activity

The principal activity of the Company is to produce electricity by solar photovoltaic ("PV") systems in commercial and residential markets.

Results

The loss for the financial year ended 31 March 2017 was £664,480 (2016: £3,097,503).

Dividends paid or provided for

No dividends were paid or provided for during the financial year (2016: nil).

No final dividend has been proposed.

State of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in the Directors' report.

Events after the Reporting period

At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2017 not otherwise disclosed in this report.

Likely developments, business strategies and prospects

As of the date of this report, Management is considering various options with respect to the Company, including a potential future sale of Levantera Developments Limited and/or its assets.

The Directors believe that no significant changes are expected other than those already disclosed in this report.

Directors' Report
for the financial year ended 31 March 2017

Indemnification and insurance of Directors
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The ultimate parent purchased and maintained throughout the financial year Directors' liability insurance in respect of the Company and its Directors.

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 101 "Reduced Disclosure Framework", 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, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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. The Directors 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.

Disclosure of information to auditors
In the case of each director in office at the date the Directors' Report is approved:
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors
Pursuant to section 487(2) of the Companies Act 2006, the auditors of the Company are deemed re-appointed for each financial year unless the Directors or the members of the Company resolve to terminate their appointment. As at the date of these financial statements, the Directors are not aware of any resolution to terminate the appointment of the auditors.

On behalf of the Board,

Holly Coleman

Director - Holly Coleman

28 June 2017

Independent auditors' report to the members of Levantera Developments Limited

Report on the Financial Statements

Our opinion

In our opinion, Levantera Developments Limited's financial statements (the "financial statements"):

- *give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;*
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 March 2017;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. 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 take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Levantera Developments Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of the Directors' Responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.

Lawrence Wilkinson

Lawrence Wilkinson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 June 2017

Financial Statements

Profit and loss account
for the financial year ended 31 March 2017

	Note	2017 £	2016 £
Turnover		**5,206,884**	3,333,151
Administrative expenses	3	**(1,383,425)**	(2,625,043)
Depreciation expense	3	**(2,137,199)**	(1,496,394)
Operating profit/(loss)		**1,686,260**	(788,286)
Interest receivable and similar income	4	**19,417**	17,629
Interest payable and similar charges	5	**(1,349,904)**	(1,060,577)
Other losses	3	**(1,236,537)**	(1,973,164)
Loss on ordinary activities before taxation		**(880,764)**	(3,804,398)
Tax on loss on ordinary activities	6	**216,284**	706,895
Loss for the financial year		**(664,480)**	(3,097,503)

The above profit and loss account should be read in conjunction with the accompanying notes which form an integral part of the financial statements.

Turnover and loss on ordinary activities before taxation relate wholly to continuing operations.

There were no other comprehensive income and expenses other than those included in the results above and therefore no separate statement of comprehensive income has been presented.

Balance sheet
as at 31 March 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	7	**38,795,881**	39,215,883
Current assets			
Debtors	8	**5,244,592**	4,165,585
Deferred tax assets	6	**-**	182,595
Current liabilities			
Creditors: amounts falling due within one year	9	**(3,423,961)**	(2,842,433)
Deferred tax liabilities	6	**(112,442)**	-
Net current assets		**1,708,189**	1,505,747
Total assets less current liabilities		**40,504,070**	40,721,630
Creditors: amounts falling due after more than one year	10	**(37,545,930)**	(37,099,010)
Net assets		**2,958,140**	3,622,620
Capital and reserves			
Called up share capital	11	**8,100,000**	8,100,000
Profit and loss account	12	**(5,141,860)**	(4,477,380)
Total shareholders' funds		**2,958,140**	3,622,620

The above balance sheet should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

The financial statements on pages 6 to 17 were authorised for issue by the Board of Directors on 28 June 2017 and were signed on its behalf by:

Holly Coleman

Director - Holly Coleman

Levantera Developments Limited

Statement of changes in equity for the financial year ended 31 March 2017

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 April 2015	**8,100,000**	**(1,379,877)**	**6,720,123**
Loss after tax for the financial year	-	(3,097,503)	(3,097,503)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(3,097,503)	(3,097,503)
Balance at 31 March 2016	**8,100,000**	**(4,477,380)**	**3,622,620**
Loss after tax for the financial year	-	(664,480)	(664,480)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	(664,480)	(664,480)
Balance at 31 March 2017	**8,100,000**	**(5,141,860)**	**2,958,140**

The above statement of changes in equity should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Notes to the financial statements for the financial year ended 31 March 2017

Note 1. General information

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom.

Note 2. Summary of significant accounting policies

i) Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial asets and liabilities (including derivative instruments) measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS").

In accordance with FRS 101, the Company has availed of an exemption from the following paragraphs of International Financial Reporting Standards ("IFRS"):

- the requirements of IFRS 7 'Financial Instruments: Disclosures'.
- the requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- the requirements of paragraph 38 of International Accounting Standards ("IAS") 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - Paragraph 73(e) of IAS 16 'Property, Plant and Equipment'.
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures).
- the requirements of IAS 7 'Statement of Cash Flows'.
- the requirements of paragraph 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- the requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.

Critical accounting estimates and significant judgements

The preparation of the financial report in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company and the financial report such as:

- fair value of financial assets and liabilities (note 17);
- *revenue relating to the accrued income for the Feed-In Tariff ("FiT") (note 8); and*
- recoverability of deferred tax assets and measurement of current and deferred tax liabilities (note 6).

Notes to the financial statements (continued) for the financial year ended 31 March 2017

Note 2. Summary of significant accounting policies (continued)

i) Basis of preparation (continued)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Management believes the estimates used in preparing the financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from our assumptions and estimates could require an adjustment to the carrying amounts of the assets and liabilities reported.

ii) Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

iii) Foreign currency translations

Functional and presentation currency

Items included in the financial statements of foreign operations are measured using the currency of the primary economic environment in which the foreign operation operates (the functional currency). The Company's financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

iv) Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for each major stream as follows:

Turnover

Turnover represents the value of Feed-in-Tariff ("FiT") due excluding value added tax and the value of electricity exported to the power grid. Turnover arises wholly in the UK from the Company's principal activity, being the production of electricity.

Net Interest income/expense

Interest income and expense is brought to account using the effective interest method. The effective interest method calculates the amortised cost of a financial instrument and allocates the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability. Fees and transaction costs associated with loans are capitalised and included in the effective interest rate and recognised in the profit and loss account over the expected life of the instrument.

Accrued income

Accrued income comprises energy that has been generated but has not been billed yet. The amount of the FiT is calculated each quarter based on the net number of kilowatts of power generated and exported. Management has adopted the policy of recognising FiT turnover quarterly, based on the price for the relevant compliance period.

Other gains/losses

Other gains/losses comprises other gains and losses relating to foreign exchange differences and all realised and unrealised fair value changes on derivatives which are recognised in the profit and loss.

Expenses

Expenses are brought to account on an accrual basis and, if not paid at the end of the reporting period, are reflected on the balance sheet as a payable. Expenses primarily consist of staff related expenses, maintenance costs, and legal and consulting fees.

Notes to the financial statements (continued) for the financial year ended 31 March 2017

Note 2. Summary of significant accounting policies (continued)

v) Taxation

The principles of the balance sheet method of tax effect accounting have been adopted whereby the income tax expense for the financial year is the tax payable on the current year's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses.

Deferred tax assets are recognised when temporary differences arise between the tax bases of assets and liabilities and their respective carrying amounts which give rise to a future tax benefit, or when a benefit arises due to unused tax losses. In both cases, deferred tax assets are recognised only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences or tax losses. Deferred tax liabilities are recognised when such temporary differences will give rise to taxable amounts that are payable in future periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or the liabilities are settled under enacted or substantively enacted tax law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company undertakes transactions in the ordinary course of business where the income tax treatment and recognition of deferred tax assets requires the exercise of judgement. The Company estimates its tax liability based on its understanding of the tax law.

vi) Derivative instruments

Derivative instruments entered into by the Company are interest rate swaps. These derivative instruments are principally used for the risk management of existing financial assets and financial liabilities.

All derivatives are recognised on the balance sheet and are disclosed as an asset where they have a positive fair value at balance sheet date or as a liability where the fair value at balance date is negative.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Movements in the fair values of derivatives are recognised in the profit and loss, unless the derivative meets the requirements for hedge accounting.

The best evidence of a derivative's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only data from observable markets. Where such alternative evidence exists, the Company recognises profits or losses immediately when the derivative is recognised ('day 1 profit or loss'). When significant unobservable inputs are used to determine fair value, the day 1 profit or loss is deferred and is recognised in the profit and loss account over the life of the transaction or when the inputs become observable.

vii) Other financial assets

Loans and receivables

This category includes loan assets held at amortised cost and amounts due from related entities, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Notes to the financial statements (continued) for the financial year ended 31 March 2017

Note 2. Summary of significant accounting policies (continued)

viii) Impairment

Loan assets held at amortised cost

Loan assets are subject to regular review and assessment for possible impairment. Provisions for impairment on loan assets are recognised based on an incurred loss model and re-assessed at each balance sheet date. A provision for impairment is recognised when there is objective evidence of impairment, and is calculated based on the present value of expected future cash flows, discounted using the original effective interest rate. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the profit and loss to the extent of what the amortised cost would have been had the impairment not been recognised.

ix) Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Tangible assets are reviewed for impairment at each reporting date. Historical cost includes expenditure directly attributable to the acquisition of the asset.

Depreciation on assets is calculated on a straight-line basis to allocate the difference between their cost and their residual values over their estimated useful lives, at the following rates:

Solar installations	20 years

Useful lives and residual values are reviewed annually and reassessed in light of commercial and technological developments. If an asset's carrying value is greater than its recoverable amount, the carrying amount is written down immediately to its recoverable amount. Adjustments arising from such items and on disposal are recognised in the profit and loss.

Gain and loss on disposal are determined by comparing proceeds with the asset's carrying amount and are recognised in the profit and loss.

x) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported on the balance sheet when there is a legally enforceable right to offset the amounts and either there is an intention to settle on a net basis, or realise the financial asset and settle the financial liability simultaneously.

xi) Called up share capital

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

Notes to the financial statements (continued) for the financial year ended 31 March 2017

	2017 £	2016 £
Note 3. Loss on ordinary activities before taxation		
Loss on ordinary activities before taxation is stated after charging:		
Administrative expenses		
Service fees paid to other Macquarie Group undertakings	**19,631**	1,008,778
Legal and consulting fees	**517,041**	676,824
Insurance	**63,581**	51,168
Monitoring fees	**415,405**	759,648
Maintenance expense	**292,472**	26,079
Other professional fees	**960**	43,389
Other expenses	**19,561**	34,978
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	**54,775**	24,178
Total administrative expenses	**1,383,425**	2,625,043
Depreciation expense	**2,137,199**	1,496,394
Other losses		
Change in fair value of derivatives	**591,238**	1,462,720
Accrued charges on derivatives	**697,405**	512,323
Other income	**(52,106)**	(1,878)
Total other losses	**1,236,537**	1,973,164

The Company had no employees during the year (2016: nil).

Note 4. Interest receivable and similar income		
Interest receivable from other Macquarie Group undertakings	**19,417**	17,629
Total interest receivable and similar income	**19,417**	17,629
Note 5. Interest payable and similar charges		
Interest payable to other Macquarie Group undertakings	**1,349,904**	1,060,577
Total interest payable and similar charges	**1,349,904**	1,060,577
Note 6. Taxation		
(i) Tax credit included in loss		
Current tax		
UK corporation tax at 20% (2016: 20%)	**317,516**	500,480
Adjustment in respect of previous periods	**193,806**	57,259
Total current tax	**511,322**	557,739
Deferred tax		
Origination and reversal of temporary differences	**(141,363)**	260,400
Adjustment in respect of previous periods	**(193,806)**	(90,956)
Effect of changes in tax rate	**40,131**	(20,288)
Total deferred tax	**(295,038)**	149,156
Tax on loss on ordinary activities	**216,284**	706,895

Notes to the financial statements (continued) for the financial year ended 31 March 2017

	2017 £	2016 £

Note 6. Tax on loss on ordinary activities (continued)

(ii) Reconciliation of effective tax rate

The income tax credit for the year is higher (2016: lower) than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

Loss before taxation	**(880,764)**	(3,804,398)
Current tax charge at 20% (2016: 20%)	**176,153**	760,880
Effects of:		
Adjustment in respect of previous periods	**-**	(33,697)
Effect of changes in tax rate	**40,131**	(20,288)
Total tax credit on loss on ordinary activities	**216,284**	706,895

The tax rate for the current year is the same as the prior year. The UK corporation tax rate will reduce to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred tax has been measured at 17%.

(iii) Deferred tax comprises timing differences attributable to:

Deferred tax assets		
Financial instruments & revaluations	**569,440**	495,953
Total deferred tax assets	**569,440**	495,953
Deferred tax liabilities		
Tangible assets	**(681,883)**	(313,358)
Total deferred tax liabilities	**(681,883)**	(313,358)
Deferred tax (liabilities)/assets	**(112,442)**	182,595

(iv) Reconciliation of the Company's movement in deferred tax

Deferred tax assets		
Balance at the beginning of the financial year	**495,953**	258,515
Adjustment in respect of previous periods	**102,464**	-
Deferred tax charged to profit and loss account for the period	**16,406**	292,544
Effect of changes in tax rates	**(45,383)**	(55,106)
Balance at the end of the financial year	**569,440**	495,953
Deferred tax liabilities		
Balance at the beginning of the financial year	**(313,358)**	(225,075)
Adjustment in respect of previous periods	**(296,270)**	(90,956)
Deferred tax charged to profit and loss account for the period	**(157,769)**	(32,144)
Effect of changes in tax rates	**85,515**	34,818
Balance at the end of the financial year	**(681,883)**	(313,358)

The majority of the above amounts are expected to be recovered after 12 months of the balance sheet date by the Company.

Notes to the financial statements (continued) for the financial year ended 31 March 2017

	2017 £	2016 £
Note 7. Tangible assets		
Assets for own use		
Solar Installations		
Cost	**42,907,135**	41,189,938
Less accumulated depreciation	**(4,111,254)**	(1,974,055)
Total	**38,795,881**	39,215,883

Reconciliation of the movement in the Company's tangible assets at their written down value:

	Plant and equipment £
Balance at 31 March 2016	**39,215,883**
Acquisitions	**1,738,873**
Disposals	**(21,676)**
Depreciation expense	**(2,137,199)**
Balance at 31 March 2017	**38,795,881**

Note 8. Debtors		
Amounts owed by other Macquarie Group undertakings[1]	**3,088,341**	2,326,366
Accrued income	**777,316**	767,074
VAT recoverable	**48,090**	544,620
Other debtors	**319,043**	27,045
Taxation	**1,011,802**	500,480
Total debtors	**5,244,592**	4,165,585

[1]Amounts owed by Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans to group undertakings at market rates and at 31 March 2017 the rate applied was LIBOR plus 1.26% (2016: LIBOR plus 1.17%).

Note 9. Creditors: amounts falling due within one year		
Other creditors	**5,818**	15,284
Amounts owed to other Macquarie Group undertakings[1]	**-**	244
Total creditors	**5,818**	15,528

[1]Amounts owed to other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company incurs interest on amounts owed to other Macquarie group undertakings at market rates (2016: LIBOR plus 1.47%).

Other financial liabilities at fair value through profit or loss		
Interest rate swaps	**3,418,143**	2,826,905
Total other financial liabilities at fair value through profit or loss	**3,418,143**	2,826,905
Total creditors: amounts falling due within one year	**3,423,961**	2,842,433

Note 10. Creditors: amounts falling due after more than one year		
Amounts owed to Macquarie Group undertakings[1]	**37,545,930**	37,099,010
Total creditors: amounts falling due after more than one year	**37,545,930**	37,099,010

[1]Amounts owed to Macquarie Group undertakings are unsecured and have a fixed date of repayment of 6 October 2019. The Company incurs interest on amounts owed to Macquarie group undertakings at market rates and at 31 March 2017 the rate applied was LIBOR plus 3.00% (2016: LIBOR plus 3.00%).

Notes to the financial statements (continued) for the financial year ended 31 March 2017

Note 11. Called up share capital and reserves

	2017 Number of shares	2016 Number of shares	2017 £	2016 £
Called up share capital				
Opening balance of fully paid ordinary shares	**10,253,165**	10,253,165	**8,100,000**	8,100,000
Closing balance of fully paid ordinary shares	**10,253,165**	10,253,165	**8,100,000**	8,100,000

Note 12. Profit and loss account

Profit and loss account		
Balance at the beginning of the financial year	**(4,477,380)**	(1,379,877)
Loss attributable to ordinary equity holders of the Company	**(664,480)**	(3,097,503)
Balance at the end of the financial year	**(5,141,860)**	(4,477,380)

Note 13. Related party information

As 100% of the voting rights of the Company are controlled within the group headed by Macquarie Group Limited ("MGL"), incorporated in Australia, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the Macquarie Group. The consolidated financial statements of MGL, within which the Company is included, can be obtained from the address given in note 18.

The Company does not have any related party transactions or balances other than those with entities which form part of the Macquarie Group as mentioned above.

Note 14. Directors' remuneration

During the financial years ended 2017 and 2016, all Directors were employed by and received all remuneration from other Macquarie Group undertakings. The Directors perform directors' duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation accurately across all these duties would not be feasible. Accordingly, no separate remuneration has been disclosed.

Note 15. Contingent liabilities and commitments

The Company has no other commitments or contingent liabilities which are individually material or a category of commitments or contingent liabilities which are material.

Note 16. Lease commitments

The Company has entered into lease arrangements with rooftop owners for providing space for installation for solar panels, for which rooftop owners are entitled to consume electricity generated from the solar panel.

Note 17. Derivative financial instruments

Objectives of holding and issuing derivative financial instruments

The Company uses derivatives to economically hedge for asset and liability management.

Interest rate swaps

Swap transactions provide for two parties to swap a series of cash flows in relation to an underlying principal amount, usually to exchange a floating interest rate for a fixed interest rate.

The derivative position represents interest rate swaps that the Company entered into with other Macquarie Group entities to economically hedge its asset and liability position.

As at 31 March 2017, the fair value of outstanding derivatives held by the Company was £3,418,143 negative value (2016: £2,826,905 negative value).

Notes to the financial statements (continued) for the financial year ended 31 March 2017

Note 18. Ultimate parent undertaking

At 31 March 2017 the immediate parent undertaking of the Company is Macquarie Investments (UK) Limited. The ultimate parent undertaking and controlling party of the Company is MGL. The largest group to consolidate these financial statements is MGL, a company incorporated in Australia. The smallest group to consolidate these financial statements is Macquarie Bank Limited ("MBL"), a company incorporated in Australia. Copies of the consolidated financial statements for MGL and MBL can be obtained from the Company Secretary, Level 6, 50 Martin Place, Sydney, New South Wales, 2000 Australia.

Note 19. Events after the reporting period

There were no material events subsequent to 31 March 2017 that have not been reflected in the financial statements.