

CG Power Solutions UK Limited

Annual report and financial statements

for the year ended 31 March 2017

Registered Number: SC198976 (Scotland)

CG Power Solutions UK Limited

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CG Power Solutions UK Limited

Directors and advisors for the year ended 31 March 2017

Directors

VR Venkatesh
NK Neelkant

Registered number

SC198976

Registered office

272 Bath Street
Glasgow
G2 4JR

Independent Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester M2 3EY

CG Power Solutions UK Limited

Strategic report for the year ended 31 March 2017

The directors present their strategic report and financial statements for the year ended 31 March 2017.

STRATEGIC REPORT

Principal Activities

The principal activity of the company continued to be the provision of electrical engineering, construction, project management and service solutions to the HV electrical transmission and distribution industry in the UK.

General business review

The turnover decreased by £5,717,764 in the year to £6,538,402 (2016: £12,256,166).

During the year, the Company made an operating loss of £5,870,758 (2016: £10,547,774). The result before taxation was a loss of £5,802,141 (2016: loss of £10,529,347).

The Company made a loss for the financial year, net of taxation of £5,802,141 (2016: loss of £10,529,347). Net cash generated from operations was £1,127,504 (2016: £3,308,679).

The fall in turnover is as a result of the concentration on the close out of some older projects and also the continuing challenging market conditions in the UK have resulted in several expected market opportunities not materialising in the predicted timescales. This has been in relation to the offshore renewables and also the solar farm market.

On 23 October 2015 the directors of the parent company made a decision to cease the company's operations. The business will continue to trade, as it has done during the current year, in the near future whilst its remaining contracts are completed. The directors expect the contracts to be completed within the next twelve months. The company's parent has agreed to provide support to the company throughout this period to ensure that all external creditors are paid.

In these circumstances it is not appropriate to prepare the financial statements on a going concern basis. As the company plans to continue trading for a period of time and realise its assets in an orderly fashion, the directors have determined that the accounting policies applied to individual items should be consistent with those adopted in the prior year. However, these plans have led to impairments and accelerated depreciation on certain intangible assets, and provisions for certain closure costs being recognised during the period.

As such, the whole of the business segment is to be treated as a discontinued activity within the income statement in 2017 and 2016. As at 31 March 2017 the company is to complete its existing project base and has full support of the ultimate parent company in achieving this objective.

During the year a loan due to group companies amounting to £7,963,270 was waived and subsequently written back via reserves.

On 25 November 2016, the immediate parent undertaking, CG Automation Systems UK Ltd, transferred its entire shareholding in CG Power Solutions Ltd to CG International BV, Herikerberweg 238, Luna Arena, Amsterdam Zuidoost, 1001, The Netherlands.