

# Financial statements

## Burcote Wind Limited

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For the Year Ended 31 March 2016



Company Number: 06711329

**Burcote Wind Limited**

**Financial statements for the year ended 31 March 2016**

## Directors and advisors

### **Registered office**

Seebeck House  
One Seebeck Place  
Milton Keynes  
Buckinghamshire  
MK5 8FR

### **Directors**

B J Dale  
G M Brown  
J A Ritchie  
L J Hannam  
M K Lauber

### **Auditor**

Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
202 Silbury Boulevard  
Central Milton Keynes  
MK9 1LW

### **Bankers**

HSBC Bank Plc  
19 Midsummer Place  
Milton Keynes  
MK9 3GB

**Burcote Wind Limited**  
**Financial statements for the year ended 31 March 2016**

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# Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 March 2016.

## **Principal activity**

The company's principal activity is that of the identification of sites suitable for large scale wind farm development, obtaining consents and permits leading to construction and operation of wind farms and related services.

## **Results**

The profit and loss account is set out on page 5 and shows the profit for the year.

During the year the Company received a fee of £3.15m in respect of Development Agreements entered into on the part sale of the Sandy Knowe and Longburn sites by Burcote Wind Hotbed LP. The purchaser intends to fund the sites through to consent, grid connection and project readiness and as part of this has engaged with the Company to provide its services on an ongoing basis. The directors have received assurances from the General Partners of the parent entity, Burcote Wind Hotbed LP, that it will not seek repayment of its loans until the company has the resources to settle them. The directors have therefore concluded that it is appropriate to adopt the going concern basis in preparing the annual report and accounts.

## **Directors**

The directors of the company during the year are as follows:

B J Dale  
G M Brown  
J A Ritchie  
L J Hannam  
M K Lauber

## **Directors' responsibilities statement**

The directors are responsible for preparing Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Report of the Directors (continued)

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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditor**

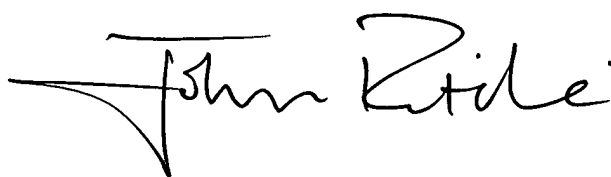
The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

During the year Grant Thornton UK LLP have acted as auditor for the company and have indicated their willingness to continue in office going forward.

### **Small companies exemption**

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

On behalf of the Board



J A Ritchie  
Director

21<sup>st</sup> July 2016



## Independent auditor's report to the members of Burcote Wind Limited

We have audited the financial statements of Burcote Wind Limited for the year ended 31 March 2016 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and The Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 the Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit 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.

## Independent auditor's report to the members of Burcote Wind Limited (continued)

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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, 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; 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 prepare the financial statements in accordance with the small companies regime.

Grant Thornton UK LLP

Laura Brierley  
Senior Statutory Auditor  
For and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

Date: 8 August 2016

## Profit and loss account

	Note	2016 £	2015 £
Turnover	1	4,353,490	-
Administrative expenses		(2,023,482)	(1,671,041)
<b>Gross profit/(loss)</b>		<b>2,330,008</b>	<b>(1,671,041)</b>
Other operating income		-	713
<b>Operating profit/(loss)</b>	2	<b>2,330,008</b>	<b>(1,670,328)</b>
Other interest receivable and similar income		160	1,502
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>2,330,168</b>	<b>(1,668,826)</b>
Taxation	4	-	-
<b>Profit/(loss) for the financial year</b>	8	<b>2,330,168</b>	<b>(1,668,826)</b>

All of the activities of the company are classed as continuing.


There were no recognised gains or losses for the period, other than those included in the Profit and Loss account.

## Balance sheet

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors	5	250,052	171,883
Cash		146,143	87,458
		<u>396,195</u>	<u>259,341</u>
 <b>Creditors: amounts falling due within one year</b>	6	 (8,774,574)	 (10,967,888)
 <b>Net current liabilities and net liabilities</b>		 <u>(8,378,379)</u>	 <u>(10,708,547)</u>
 <b>Capital and reserves</b>			
Called up share capital	7	3,900	3,900
Profit and loss account	8	(8,382,279)	(10,712,447)
 <b>Shareholders' deficit</b>		 <u>(8,378,379)</u>	 <u>(10,708,547)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

These financial statements were approved by the Board and authorised for issue on 21<sup>st</sup> July 2016



J A Ritchie  
Director

Company Number: 06711329

## Notes to the financial statements

### **1 Principal accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The following principal accounting policies have been applied:

#### **Going concern**

During the year the Company received a fee of £3.15m in respect of Development Agreements entered into on the part sale of the Sandy Knowe and Longburn sites by Burcote Wind Hotbed LP. The purchaser intends to fund the sites through to consent, grid connection and project readiness and as part of this has engaged with the Company to provide its services on an ongoing basis. The directors have received assurances from the General Partners of the parent entity, Burcote Wind Hotbed LP, that it will not seek repayment of its loans until the company has the resources to settle them. The directors have therefore concluded that it is appropriate to adopt the going concern basis in preparing the annual report and accounts.

#### **Taxation**

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### **Cash Flow**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### **Turnover**

Turnover represents fees charged to certain wind-farm projects, excluding VAT, which has been recognised during the year.

**The accompanying accounting policies and notes form part of these financial statements.**

## Notes to the financial statements (continued)

### **2 Operating profit/(loss)**

The operating profit/(loss) is stated after charging:	<b>2016</b>	2015
	£	£
Auditor's remuneration	<b>6,240</b>	6,060
Tax services	<b>2,750</b>	2,750
	<hr/>	<hr/>

### **3 Directors' remuneration**

	<b>2016</b>	2015
	£	£
Amounts paid to third parties in respect of directors' services	<b>200,192</b>	150,000
	<hr/>	<hr/>

### **4 Taxation on loss on ordinary activities**

There is no tax charge in the current or preceding financial year. At 31 March 2016, the company has trading losses carried forwarded which are available to offset against future taxable profits amounting to approximately £7,025,000 (2015: £9,836,000). At 31 March 2016, the Company has a potential deferred tax asset in respect of these losses of approximately £1,260,000 (2015: £1,967,000). The full utilisation of these losses in the foreseeable future is uncertain and no deferred tax asset has therefore been recognised.

### **5 Debtors**

	<b>2016</b>	2015
	£	£
Amounts owed by associated entities	<b>71,805</b>	60,645
VAT recoverable	<b>117,599</b>	79,185
Other debtors	<b>60,648</b>	32,053
	<hr/>	<hr/>
	<b>250,052</b>	171,883

## Notes to the financial statements (continued)

### **6 Creditors: amounts falling due within one year**

	2016	2015
	£	£
Trade creditors	428,100	34,406
Amounts owed to associated entities	8,325,834	10,899,618
Other creditors	20,640	33,864
	<u>8,774,574</u>	<u>10,967,888</u>

### **7 Share capital**

	2016	2015
	£	£
Allotted, called up and fully paid		
3,900 Ordinary shares of £1 each	<u>3,900</u>	<u>3,900</u>

### **8 Reserves**

	Profit and loss account £
At 1 April 2015	(10,712,447)
Profit for the year	<u>2,330,168</u>
At 31 March 2016	<u>(8,382,279)</u>

## Notes to the financial statements (continued)

### **9 Related party disclosures**

	Management fees £	Amounts owed by £	Amounts owed to £
<b>2016</b>			
<b>Burcote Integrated Business Solutions Limited</b>	<b>217,491</b>	-	<b>24,000</b>
<b>Burcote Wind Hotbed Limited Partnership</b>	-	-	<b>8,300,911</b>
<b>Burcote Wind Trust</b>	-	<b>71,805</b>	-
<b>Hotbed Portfolio Managers LLP</b>	<b>15,556</b>	-	<b>923</b>
<b>Connection Capital LLP</b>	<b>11,250</b>	-	-
	<hr/>	<hr/>	<hr/>
<b>2015</b>			
Burcote Integrated Business Solutions Limited	169,668	-	-
Burcote Wind Hotbed Limited Partnership	-	-	10,859,618
Burcote Wind Trust	-	60,645	-
Hotbed Portfolio Managers LLP	97,778	-	40,000
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Graham Brown, a director of Burcote Wind limited, is also a director of Burcote Integrated Business Solutions Limited.

Bernard Dale, a director of Burcote Wind Limited, is also a partner of Hotbed Portfolio Managers LLP.

### **10 Controlling related party**

Burcote Wind Hotbed Limited Partnership, through its General Partners, controls Burcote Wind Limited.