

**BWSC North Lincs Limited (formerly Eco2  
North Lincs Limited)**

**Annual report and financial  
statements**

**Registered number 6337326  
31 December 2014**

TUESDAY



\*A4ANQ7DF\*

A17

30/06/2015

#147

COMPANIES HOUSE

## Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditor's report to the members of BWSC North Lincs Limited	4
Profit and Loss Account	6
Balance Sheet	7
Notes	8

## **Directors' report**

The directors present their directors' report and financial statements for the year ended 31 December 2014.

### **Principal activities**

BWSC North Lincs Limited (formerly Eco2 North Lincs Limited, change of name 18 December 2014) (the Company) was established to construct and operate a straw-burning power plant.

### **Business Review**

The results of the company are shown on page 6 of the financial statements.

The Company has in 2014 incurred a loss before taxation of £2,771,000 (2013: £1,155,000) which is fully in line with the directors' expectations and business plans. The company initiated in November 2013 the Engineering, Procurement and Construction (EPC) of a 40MW biomass power plant, a plant that is expected to be fully constructed and in operation in 2016.

### **Directors**

The directors who held office during the year were as follows:

C Sorensen  
C Grundtvig  
D Jensen

### **Proposed dividend**

No dividend has been proposed or paid in the year (2013: £Nil).

### **Disclosure of information to auditor**

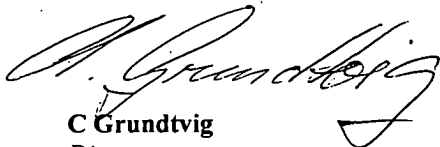
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## **Directors' report** *(continued)*

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**C Grundtvig**  
*Director*

20- 22 Bedford Row  
London  
WC1R 4JS

*28 May* 2015

## **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG LLP

3 Assembly Square  
Britannia Quay  
Cardiff Bay  
CF10 4AX  
United Kingdom

### **Independent auditor's report to the members of BWSC North Lincs Limited (formerly Eco2 North Lincs Limited)**

We have audited the financial statements of BWSC North Lincs Limited for the year ended 31 December 2014 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

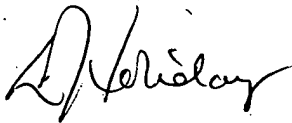
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of BWSC North Lincs Limited**  
(continued)

**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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Emma Holiday**  
**(Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

30/12 June 2015

## Profit and Loss Account

*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Administrative expenses		(699)	(1,155)
Other expenses		6	-
Interest expenses		(2,078)	-
<b>Operating loss and loss on ordinary activities before taxation</b>	<b>2-6</b>	<b>(2,771)</b>	<b>(1,155)</b>
Tax on loss on ordinary activities	<b>7</b>	<b>554</b>	<b>231</b>
<b>Loss for the financial period</b>	<b>15</b>	<b>(2,217)</b>	<b>(924)</b>

The company's operating loss for the current and preceding financial years derives from continuing operations.

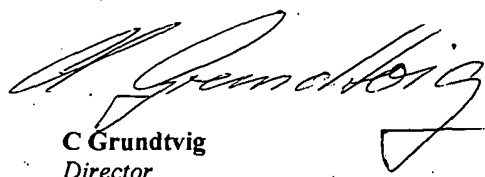
The company had no recognised gains or losses other than those included in the results above and, accordingly no separate statement of total recognised gains and losses is presented.



**Balance Sheet**  
*at 31 December 2014*

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Tangible assets	8	100,539	7,806
<b>Current assets</b>			
Debtors (including £Nil due after more than one year, 2013: £217,200)	10	1,831	11,294
Cash at bank and in hand		1,133	1,878
		<u>2,964</u>	<u>13,172</u>
Creditors: amounts falling due within one year	11	(91)	(1,984)
<b>Net current assets</b>		<u>2,873</u>	<u>11,188</u>
<b>Total assets less current liabilities</b>		<u>103,412</u>	<u>18,994</u>
Creditors: amounts falling due after more than one year	12	(106,606)	(19,971)
<b>Net liabilities</b>		<u>(3,194)</u>	<u>(977)</u>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account	15	(3,195)	(978)
<b>Deficit on shareholders' funds</b>	16	<u>(3,194)</u>	<u>(977)</u>

These financial statements were approved by the board of directors on 28 May 2015 and were signed on its behalf by:

  
C Grundtvig  
Director

Registered Company Number 6337326

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

As the company is a wholly owned subsidiary of BWSC Power Corporation Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The company has taken advantage of the exemption from preparing consolidated accounts on the grounds of it being a small group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### ***Going concern***

The Company for the year ended 31 December 2014 made a loss before taxation £2,771,000 (2013: £1,155,000) and has net liabilities of £ 3,194,000 (2013: £977,000). The Company is in the construction phase of operations and under its 30 year operational and financial model the power plant is due to come on line in 2016 and generate profits in 2027. The financial model forecasts overall profitability. The construction phase is being financed by a loan from its parent company. The directors consider that the loan facility provides adequate finance to meet liabilities as they fall due.

Based on the above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### ***Tangible fixed assets and depreciation***

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office equipment	-	3 years
Plant equipment	-	5 years
Motor vehicles	-	3 years

No depreciation is provided on freehold land.

No depreciation is charged on assets under construction. Cost includes directly attributable finance costs.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Taxation***

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Investments*

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

#### *Cash and liquid resources*

Cash, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

### 2 Analysis of loss on ordinary activities before taxation

All losses before taxation are derived from operations in the United Kingdom.

### 3 Notes to the profit and loss account

*Loss on ordinary activities before taxation is stated after charging*

*Auditors' remuneration:*

	2014 £000	2013 £000
Audit of these financial statements	5	5
Other services – relating to taxation	3	3
	<hr/>	<hr/>

### 4 Remuneration of directors

No director received emoluments from the company in either year. There are no retirement benefits accruing to the directors.

### 5 Staff numbers and costs

There are no persons employed by the company during either year.

### 6 Interest expenses

	2014 £'000	2013 £'000
Loan from parent undertaking	2,078	-
	<hr/>	<hr/>

## Notes (continued)

### 7 Taxation

#### Analysis of charge in period

	2014 £000	2013 £000
<b>UK Corporation taxation</b>		
Current tax on income for the period	-	-
<b>Deferred taxation</b>		
Timing differences, origination and reversal	(554)	(231)
<b>Tax credit on loss on ordinary activities</b>	(554)	(231)

#### Factors affecting the tax charge for the current period

The current tax credit for the period is lower (2013: lower) than the standard rate of corporation tax in the UK of 20% (2013: 20%). The differences are explained below.

	2014 £000	2013 £000
<b>Current tax reconciliation</b>		
Loss on ordinary activities before tax	(2,771)	(1,155)
Current tax at 20 % (2013: 20%)	(554)	(231)
<b>Effects of:</b>		
Pre-trading expenditure carried forward	554	231
<b>Total current tax (credit)/charge (see above)</b>	-	-

### 8 Tangible fixed assets

	Land £000	Assets under construction £000	Total £000
<b>Cost</b>			
At beginning of year	2,426	5,380	7,806
Additions	-	92,733	92,733
<b>At end of year</b>	2,426	98,113	100,539
<b>Depreciation</b>			
At beginning of year	-	-	-
Charged in year	-	-	-
<b>At end of year</b>	-	-	-
<b>Net book value</b>			
At 31 December 2014	2,426	98,113	100,539
At 31 December 2013	2,426	5,380	7,806

## Notes (continued)

### 8 Tangible fixed assets (continued)

Included in the cost of tangible fixed assets is £6,257,000 (2013: £394,000) in respect of capitalised finance costs.

### 9 Fixed asset investments

	Investment in subsidiary company £
<b>Cost or valuation</b>	
At 1 January 2014 and 31 December 2014	2
<b>Net book value</b>	
At 31 December 2014	2
At 31 December 2013	2

The following was a subsidiary undertaking of the company:

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage of shares held
North Lincolnshire Biomass Limited	England and Wales	Dormant	100% ordinary

### 10 Debtors

	2014 £000	2013 £000
Trade debtors	15	-
Payments on account	-	10,827
Other debtors	21	236
Deferred tax (note 13)	785	231
Taxation and social security	49	-
Amounts owed by group undertakings	190	-
Prepayments	771	-
	<b>1,831</b>	<b>11,294</b>

Other Debtors include cash bonds of £Nil (2013: £217,200) due after more than one year.

### 11 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	31	-
Amounts owed to Group undertakings	25	1,506
Other creditors	35	478
	<b>91</b>	<b>1,984</b>

## Notes (continued)

### 12 Creditors: amounts falling due after more than one year

	2014 £000	2013 £000
Loan due to parent company	106,606	19,971

The loan from parent company is secured on the assets of the company and bears interest at 12%.

The maturity of obligations under the parent company loan is as follows:

	2014 £000	2013 £000
Over five years	106,606	19,971

### 13 Deferred taxation asset

	2014 £000	2013 £000
At start of year	231	-
Deferred tax credit for the year	554	231
<b>At 31 December</b>	<b>785</b>	<b>231</b>

The amounts provided for deferred taxation are set out below:

	2014 £000	2013 £000
Pre-trading expenditure and losses carried forward	785	231

### 14 Called up share capital

	2014 £	2013 £
<b>Authorised</b>		
70,000 A ordinary shares of £0.01 each	700	700
30,000 B ordinary shares of £0.01 each	300	300
	<b>1,000</b>	<b>1,000</b>
<b>Allotted, called up and fully paid (2013: partly paid)</b>		
70,000 A ordinary shares of £0.01 each	700	700
30,000 B ordinary shares of £0.01 each	300	300
	<b>1,000</b>	<b>1,000</b>

## Notes (continued)

### 15 Share capital and reserves

	Share capital	Profit and loss account	Total 31 December 2014	31 December 2013
	£000	£000	£000	£000
At start of year	1	(978)	(977)	(53)
Loss for the year	-	(2,217)	(2,217)	(924)
At end of year	1	(3,195)	(3,194)	(977)

### 16 Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Loss for the financial year	(2,217)	(924)
Opening shareholders' funds	(977)	(53)
Closing shareholders' funds	(3,194)	(977)

### 17 Commitments

Capital commitment at the end of the financial year for which no provision has been made, are as follows:

	2014 £000	2013 £000
Contracted	125,934	126,081

The contracted capital commitments are in relation to the construction of the power plant.

### 18 Ultimate parent company and parent undertaking

The company is a wholly owned subsidiary of BWSC Power Corporation Limited. BWSC Power Corporation Limited is a company registered in England and Wales, heads the largest and only group in which the results of the company are consolidated and is a joint venture owned by Burmeister & Wain Scandinavian Contractor A/S, and CII PHH both incorporated in Denmark.

The consolidated financial statements of BWSC Power Corporation Limited are available to the public and may be obtained from Registrar of Companies, Companies House, Crown Way, Cardiff, CF1 3UZ.