

**Company Registration No. NI607870**

**Brackagh Quarry Windfarm Limited**

**Annual Report and Financial Statements**

**30 June 2013**

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**Brackagh Quarry Windfarm Limited**  
**Annual report and financial statements 2013**  
**Contents**

	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>3</b>
<b>Independent auditor's report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Cash flow statement</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8</b>

# **Brackagh Quarry Windfarm Limited**

## **Officers and professional advisers**

### **Directors**

E Rafferty  
N Ward  
D Crockford  
N Harris

### **Secretary**

D Crockford

### **Bankers**

Bank of Ireland  
Market Street  
Magherfelt  
BT45 6EE

### **Registered Office** (changed on 26 February 2014)

38 Blackpark Road  
Toomebridge  
Antrim  
BT41 3SL

### **Independent auditor**

Deloitte LLP  
Chartered Accountants  
Global House  
High Street  
Crawley  
RH10 1DL

# Brackagh Quarry Windfarm Limited

## Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 30 June 2013.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Further information on the basis of preparation of these financial statements can be found in note 1.

### Principal activity

The principal activity of the company in the year under review was that of the development of the potential 6.0MW wind farm at Draperstown, County Londonderry. This will continue to be the principal activity of the company.

### Results and dividends

The loss for the year, after taxation, was £1,329 (2012: £4,526).

The directors do not recommend the payment of a dividend.

### Directors

The directors who served throughout the year, except as noted, were as follows:

E Rafferty  
N Ward  
D Crockford  
N Harris

### Independent auditor and statement of provision of information to the independent auditor

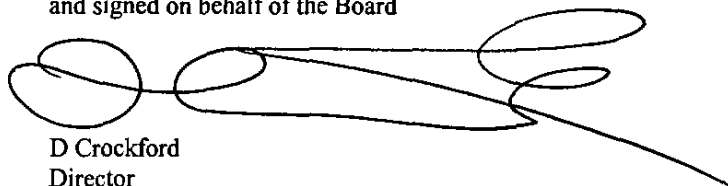
Deloitte LLP has expressed their willingness to continue in office as auditor of the company and a resolution to reappoint them will be proposed as the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors  
and signed on behalf of the Board



D Crockford  
Director

26 March 2014

# **Brackagh Quarry Windfarm Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

## **Independent auditor's report to the members of Brackagh Quarry Windfarm Limited**

We have audited the financial statements of Brackagh Quarry Windfarm Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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**

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 30 June 2013 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.

### **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.

### **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 in preparing the Director's report.



Matthew Coulson FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Crawley, United Kingdom

26 March 2014

## Brackagh Quarry Windfarm Limited

### Profit and loss account For the year ended 30 June 2013

	Notes	Year 2013 £	Period from 14 June 2011 to 30 June 2012 £
Administrative expenses		(2,000)	(4,526)
<b>Operating loss</b>		(2,000)	(4,526)
Finance income	4	671	-
<b>Loss on ordinary activities before taxation</b>		(1,329)	(4,526)
Tax on loss on ordinary activities		-	-
<b>Loss on ordinary activities after taxation</b>	3, 10	(1,329)	(4,526)

All items in the above statement derive from continuing operations.

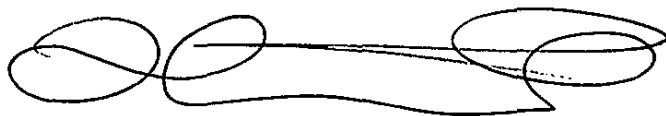
There are no further recognised gains and losses for the current financial year other than as stated in the profit and loss account and as a result no statement of total recognised gains and losses is given.

# Brackagh Quarry Windfarm Limited

## Balance sheet As at 30 June 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Intangible assets	5	747,250	156,917
<b>Current assets</b>			
Debtors	6	49,158	244
Cash		24,083	42,483
		73,241	42,727
<b>Creditors: amounts falling due within one year</b>	7	(4,111)	(4,500)
<b>Net current assets</b>		69,130	38,227
<b>Creditors: amounts falling due after more than one year</b>	8	(822,135)	(199,570)
<b>Net liabilities</b>		(5,755)	(4,426)
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account	10	(5,855)	(4,526)
<b>Shareholders' deficit</b>	10	(5,755)	(4,426)

The financial statements of Brackagh Quarry Windfarm Limited, registered number NI607870 were approved by the board of directors and authorised for issue on 26 March 2014.



D Crockford  
Director

# Brackagh Quarry Windfarm Limited

## Cash flow statement For the year ended 30 June 2013

	Notes	Year 2013 £	Period from 14 June 2011 to 30 June 2012 £
<b>Net cash used in operating activities</b>	11	<b>(51,303)</b>	<b>(269)</b>
<b>Investing activities</b>			
Purchases of intangible fixed assets		(575,604)	(143,361)
<b>Net cash used in investing activities</b>		<b>(576,205)</b>	<b>(143,361)</b>
<b>Financing activities</b>			
Proceeds from issue of shareholder loans		609,108	186,113
<b>Net cash inflow from financing activities</b>		<b>609,108</b>	<b>186,113</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(18,400)</b>	<b>42,483</b>
Cash and cash equivalents at beginning of year / period		42,483	-
Cash and cash equivalents at the end of the year / period		24,083	42,483

# **Brackagh Quarry Windfarm Limited**

## **Notes to the financial statements For the year ended 30 June 2013**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current financial year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Basis of preparation**

The accounts have been prepared on the basis the Company is a going concern, which the Directors' consider appropriate for the following reasons:

The directors have separately reviewed integrated forecasts for the Company, for a period in excess of 12 months from the date that these financial statements were approved, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due for the foreseeable future from cash flows from operations and existing working capital. In addition the Company has entered into a facilities agreement with the joint shareholders to fund ongoing development costs prior to the commencement of commercial operations.

The company has received confirmation that the Group, which has substantial free cash resources, will continue to support the activities and allow the company to meet its liabilities as they fall due.

#### **Intangible fixed assets**

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### *Development costs*

Costs capitalised as development wind intangibles represent the costs incurred in bringing individual wind farm projects to the consented stage, including related interest costs. Costs associated with reaching the consent stage include options over land rights, planning application costs and environment impact studies. These may be costs incurred directly or acquisition of a controlling interest in a project.

The point of capitalisation occurs following a site review by the Board, ensuring the key planning, construction and financing risks have been mitigated to a level where the Board considers it probable that the site will deliver future economic benefits in the future. This includes demonstration of technical feasibility, intention to complete, availability of resources, how the asset will generate future economic benefits and the ability to reliably measure expenditure.

Development wind assets are not amortised until the asset is substantially complete and ready for its intended use. The asset is subjected to impairment testing on an annual basis until this time. At the point the project reaches consented stage and is approved by the Board, the carrying value is transferred to Property, Plant & Equipment as assets under construction. Amortisation is over the expected useful life of the related operating asset. The asset is derecognised on disposal, or when no future economic benefits are expected from their use. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

# Brackagh Quarry Windfarm Limited

## Notes to the financial statements For the year ended 30 June 2013

### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. A deferred tax asset of £1,347 (2012: £1,086) remains unrecognised due to the recoverability being regarded as unlikely.

### 2. Information regarding directors and employees

The company has no employees. The directors received no remuneration from the Company.

### 3. Loss on ordinary activities after taxation

	Year 2013 £	Period from 14 June 2011 to 30 June 2012 £
<b>Loss on ordinary activities is stated after charging;</b>		
Audit fees	2,000	4,500

### 4. Net finance income

	Year 2013 £	Period from 14 June 2011 to 30 June 2012 £
Interest receivable	671	-
Less: Interest on shareholder loans	(60,688)	13,457
Add back: Finance costs capitalised	60,688	(13,457)
<b>Net finance income</b>	<b>671</b>	<b>-</b>

# Brackagh Quarry Windfarm Limited

## Notes to the financial statements For the year ended 30 June 2013

### 5. Intangible fixed assets

	Development costs £
<b>Cost and net book value</b>	
At 30 June 2012	156,917
Additions	589,732
	<hr/>
At 30 June 2013	746,649
	<hr/> <hr/>

Interest charges on the shareholder loans of £74,145 (2012:£13,457) are included within development expenditure. Also included within development costs is £ 23,265 (2012: £nil) of internally capitalised costs.

### 6. Debtors

	2013 £	2012 £
Called up share capital not paid	1	1
VAT	49,157	243
	<hr/>	<hr/>
	49,158	244
	<hr/> <hr/>	<hr/> <hr/>

### 7. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	2,111	-
Accruals	2,000	4,500
	<hr/>	<hr/>
	4,111	4,500
	<hr/> <hr/>	<hr/> <hr/>

### 8. Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertaking (see note 12)	584,539	141,549
Other creditors (see note 12)	237,596	58,021
	<hr/>	<hr/>
	822,135	199,570
	<hr/> <hr/>	<hr/> <hr/>

# Brackagh Quarry Windfarm Limited

## Notes to the financial statements For the year ended 30 June 2013

### 9. Share capital

	2013 £	2012 £
<b>Allotted and called up</b>		
100 Ordinary shares of £1 each	100	100

### 10. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total £
At 14 June 2011	1	-	1
Issue of share capital	99	-	99
Loss for the period	-	(4,526)	(4,526)
At 30 June 2012	100	(4,526)	(4,426)
Loss for the year	-	(1,329)	(1,329)
At 30 June 2013	100	(5,855)	(5,755)

In the prior period, the company has applied group reconstruction relief in accordance with the Companies Act 2006 section 611 in relation to the issue of 99 ordinary £1 shares on 3 August 2011 in exchange for the transfer of assets from another group undertaking, REG Creagh JV Company Ltd. As the book value of these assets at the date of transfer was equal to the nominal value of shares issued no share premium was recorded.

### 11. Net cash used in operating activities

	Year 2013 £	Period from 14 June 2011 to 30 June 2012 £
Operating loss	(2,000)	(4,526)
Adjustments for:		
Increase in debtors	(48,914)	(243)
(Decrease) / increase in creditors	(389)	4,500
	(51,303)	(269)

# Brackagh Quarry Windfarm Limited

## Notes to the financial statements For the year ended 30 June 2013

### 12. Related party disclosures

The Company borrowed from related companies to fund development costs during the year. REG Holdings Limited and Creagh Concrete Products Limited are shareholders in the Company's parent company, REG Creagh JV Company.

The balance on these loans at the end of the year is shown below. The term of these loans is 20 years with outstanding principal and accrued interest payable at the end of the loan term.

		2013	2012
		£	£
	<i>Interest rate</i>		
REG Holdings Limited	15%	584,539	141,549
Creagh Concrete Products Limited	15%	237,596	58,021
		<hr/>	<hr/>
		822,135	199,570
		<hr/>	<hr/>

The Company was owed £1 by its immediate parent, REG Creagh JV Company Limited, at the end of the year.

The Company also entered into a lease agreement with Creagh Concrete Products Limited for the use of land at Brackagh Quarry, Draperstown. Rent is one peppercorn per annum.

The Company did not enter into any other transactions with related parties.

### 13. Ultimate parent undertaking

The ultimate parent undertaking and controlling party is Renewable Energy Generation Limited, a company incorporated in Jersey. The Registered Office of the ultimate parent undertaking is Elizabeth House, 9 Castle Street, St Helier, Jersey, JE4 2QP. Renewable Energy Generation Limited prepares the consolidated financial statements and is the smallest and largest member of the group which prepares consolidated accounts.

The immediate parent company is REG Creagh JV Company Limited. A company registered in England & Wales. The financial statements are available from the registered office given on page 1.