

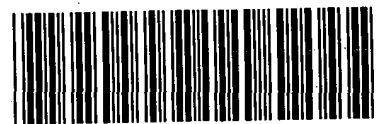
Registration number: 09248919

Batsworthy Cross Wind Farm Limited

Annual Report and Financial Statements

for the Period from 3 October 2014 to 31 December 2015

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Batsworthy Cross Wind Farm Limited

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Batsworthy Cross Wind Farm Limited

Company Information

Directors B Freeman
 M Parker

Company secretary P Sainsbury
 C Barras

Registered office Windmill Hill Business Park
 Whitehill Way
 Swindon
 Wiltshire
 SN5 6PB

Independent Auditors PricewaterhouseCoopers LLP
 Chartered Accountants and Statutory Auditors
 1 Embankment Place
 London
 WC2N 6RH

Batsworthy Cross Wind Farm Limited

Strategic Report for the Period from 3 October 2014 to 31 December 2015

The directors present their strategic report for the period from 3 October 2014 to 31 December 2015.

Fair review of the business

During the period, the company was in the process of constructing an onshore wind farm in North Devon.

The results for the period are dealt with on page 8 of the financial statements. The loss for the financial period ended 31 December 2015 was £10.

The position of the company as at 31 December 2015 is provided on page 10 of the financial statements. The net assets as at 31 December 2015 were £147,211.

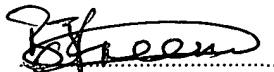
Principal risks and uncertainties

The principal risks and uncertainties facing the business are:

- * The lead time of the construction of the wind farm
- * Changes in the regulatory environment in respect of renewable energy obligations

These risks are mitigated by ensuring regulatory compliance, undertaking of political and regulatory analysis and working with national and international expert committees and associations to ensure projects meet the necessary criteria for UK development.

Approved by the Board on 22 June 2016 and signed on its behalf by:



B Freeman
Director

Batsworthy Cross Wind Farm Limited

Directors' Report for the Period from 3 October 2014 to 31 December 2015

The directors present their report and the audited financial statements for the 15 month period from 3 October 2014 to 31 December 2015.

Incorporation

The company was incorporated on 3 October 2014.

Directors of the company

The directors of the company who were in office during the period and up to the date of signing the financial statements were:

B Freeman

M Parker

Dividends

The directors recommend a final dividend payment of £Nil be made in respect of the period ended 31 December 2015.

Financial instruments

Objectives and policies

The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debts finance and the related finance costs. The company's operations expose it to a few financial risks which are set out below.

Price risk, credit risk, interest rate risk and currency risk

Price Risk

The company has no significant exposure to price risk.

Credit Risk

The company has no significant exposure to credit risk

Interest Rate Risk

The company is currently not exposed to interest rate risk on borrowings, as they are fixed rates.

Currency Risk

Where a contract with the supplier used in the construction of a wind farm requires payments to be made in a foreign currency the company actively seeks to hedge its exposure against movements in exchange rates through the use of forward contracts.

Future developments

The wind farm in North Devon is expected to start generating electricity in 2016.

Batsworthy Cross Wind Farm Limited

Directors' Report for the Period from 3 October 2014 to 31 December 2015 (continued)

Going concern

The directors have fully considered the risks and uncertainties of the company's cash flow forecasts and projections. On this basis, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

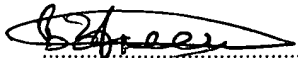
Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The financial statements on pages 8 to 18 were approved by the Board of Directors on 22 June 2016 and signed on its behalf by:



B Freeman
Director

Batsworthy Cross Wind Farm Limited

Statement of Directors' Responsibilities

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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 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.

Batsworthy Cross Wind Farm Limited

Independent Auditors' Report to the members of Batsworthy Cross Wind Farm Limited

Report on the financial statements

Our opinion

In our opinion, Batsworthy Cross Wind Farm Limited's the financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the period 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 Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Profit and Loss Account for the period then ended;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period 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 matter prescribed by the Companies Act 2006

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

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.

Batsworthy Cross Wind Farm Limited

Independent Auditors' Report to the members of Batsworthy Cross Wind Farm Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), 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 to the financial statements.

This report, including the opinions, has been prepared for and only for the parent 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.



Michael Aumann (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors

1 Embankment Place
London
WC2N 6RH

24 June 2016

Batsworthy Cross Wind Farm Limited

Profit and Loss Account for the Period from 3 October 2014 to 31 December 2015

	3 October 2014 to 31 December 2015 £
Turnover	-
Administrative expenses	<u>(13)</u>
Operating loss	<u>(13)</u>
Loss before tax	(13)
Income tax credit	<u>3</u>
Loss for the financial period	<u><u>(10)</u></u>

The above results were derived from continuing operations.

Batsworthy Cross Wind Farm Limited

Statement of Comprehensive Income for the Period from 3 October 2014 to 31 December 2015

	3 October 2014 to 31 December 2015 £
Loss for the financial period	(10)
Items that may be reclassified subsequently to profit or loss	
Gain on cash flow hedges (net)	<u>147,220</u>
Total comprehensive income for the period	<u><u>147,210</u></u>

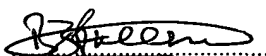
Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 5.

Batsworthy Cross Wind Farm Limited

(Registration number: 09248919)
Balance Sheet as at 31 December 2015

	Note	31 December 2015 £
Fixed assets		
Property, plant and equipment	6	14,336,626
Current assets		
Debtors	7	631,141
Income tax debtor	5	<u>3</u>
		631,144
Creditors: Amounts falling due within one year		
Creditors: Amounts falling due within one year	9	(14,788,243)
Deferred tax liability	5	<u>(32,316)</u>
Net current liabilities		<u>(14,189,415)</u>
Net assets		<u>147,211</u>
Capital and reserves		
Called up share capital	10	1
Cash flow hedging reserve		147,220
Profit and loss account		<u>(10)</u>
Total Shareholders' funds		<u>147,211</u>

Approved by the Board on 22 June 2016 and signed on its behalf by:



B Freeman
Director

Batsworthy Cross Wind Farm Limited

Statement of Changes in Equity for the Period from 3 October 2014 to 31 December 2015

	Called up Share capital £	Cash flow hedging reserve £	Retained earnings £	Total £
At 3 October 2014	1	-	-	1
Loss for the financial period	-	-	(10)	(10)
Other comprehensive income	-	147,220	-	147,220
Total comprehensive income	-	147,220	(10)	147,210
At 31 December 2015	1	147,220	(10)	147,211

The notes on pages 12 to 18 form an integral part of these financial statements.

Batsworthy Cross Wind Farm Limited

Notes to the Financial Statements for the Period from 3 October 2014 to 31 December 2015

1 General information

The company is a private company limited by share capital incorporated and domiciled in United Kingdom.

The address of its registered office is:

Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire
SN5 6PB
United Kingdom

These financial statements were authorised for issue by the Board on 22 June 2016.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

These financial statements were prepared on a going concern basis, under the historical cost convention, and in accordance with Companies Act 2006, as applicable to companies using FRS101 Reduced Disclosure Framework. The principal accounting policies which have been applied consistently throughout the year are set out below.

Summary of disclosure exemptions

These financial statements are separate financial statements. Details of the parent, in whose consolidated financial statements the company is included, are shown in note 11 to the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group financial statements of RWE AG. The group financial statements of RWE AG are available to the public and can be obtained as set out in note 11.

Going concern

The financial statements have been prepared on a going concern basis.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 3 October 2014 have had a material effect on the financial statements.

Batsworthy Cross Wind Farm Limited

Notes to the Financial Statements for the Period from 3 October 2014 to 31 December 2015 (continued)

2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Batsworthy Cross Wind Farm Limited

Notes to the Financial Statements for the Period from 3 October 2014 to 31 December 2015 (continued)

2 Accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Derivatives and hedging

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The company designates certain derivatives as either:

- (a) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- (b) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge).

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in other comprehensive income are included in the initial measurement of the asset or liability.

Hedge relationships are classified as fair value hedges where the financial instruments hedge the change in the fair value of a recognised financial asset or liability. The changes in fair value of the hedging instrument are recognised in the income statement. The hedged item is also adjusted for changes in fair value attributable to the hedged risk, with the corresponding adjustment made in the income statement.

To qualify for hedge accounting, the company documents, at the inception of the hedge, the hedging risk management strategy, the relationship between the hedging instrument and the hedged item or transaction and the nature of the risks being hedged. The company also documents the assessment of the effectiveness of the hedging relationship, to show that the hedge has been and will be effective on an ongoing basis.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as finance income or costs as they arise.

Batsworthy Cross Wind Farm Limited

Notes to the Financial Statements for the Period from 3 October 2014 to 31 December 2015 (continued)

3 Staff costs

There were no direct employees of Batsworthy Cross Wind Farm Limited during the period to 31 December 2015.

4 Auditors' remuneration

Audit fees of £10,000 were borne by the parent company and not recharged.

5 Income tax

Tax charged/(credited) in the profit and loss account

**3 October 2014
to 31 December
2015
£**

Current taxation

Group relief receivable

(3)

The tax credit for the period is the same as the standard rate of corporation tax in the UK of 20.25%.

The differences are reconciled below:

**3 October 2014
to 31 December
2015
£**

Loss on ordinary activities before tax

(13)

Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 20.25%

(3)

Total tax credit in the profit and loss account

(3)

During the year, the main rate of UK corporation tax was reduced from 21% to 20%. This was substantively enacted on 2 July 2013 and was effective from 1 April 2015 giving a corporate tax rate for the year ended 31 December 2015 of 20.25%.

During the year, the relevant deferred tax balances have been re-measured as a result of the change in the main rate of corporation tax to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020. These rate reductions were substantively enacted on 26 October 2015 prior to the balance sheet date.

Batsworthy Cross Wind Farm Limited

Notes to the Financial Statements for the Period from 3 October 2014 to 31 December 2015 (continued)

5 Income tax (continued)

Deferred tax

Deferred tax assets and liabilities

2015

Fair value movements on financial instruments

	Liability	Net deferred tax
	£	£
To be recovered within 12 months	(32,316)	(32,316)
	<u>(32,316)</u>	<u>(32,316)</u>

Deferred tax movement during the period:

	At 3 October 2014	Recognised in other comprehensive income	At 31 December 2015
	£	£	£
Fair value movements on financial instruments	<u>-</u>	<u>(32,316)</u>	<u>(32,316)</u>

6 Property, plant and equipment

	Wind Farm
	£
Cost	
Additions	<u>14,336,626</u>
At 31 December 2015	<u>14,336,626</u>
Carrying amount	
At 31 December 2015	<u>14,336,626</u>

On 31 December 2014, the company entered into a project purchase agreement, whereby the project (together with the assets) was transferred from RWE Innogy UK Limited to the company.

Batsworthy Cross Wind Farm Limited

Notes to the Financial Statements for the Period from 3 October 2014 to 31 December 2015 (continued)

7 Debtors

	31 December 2015 £
Amounts owed by parent undertaking	13,456
Other receivables	438,149
Derivative financial asset	<u>179,536</u>
	<u><u>631,141</u></u>

8 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and subsequently remeasured at fair value at each reporting date. Changes in fair values are recorded in the period they arise, in either the income statement or other comprehensive income depending on the applicable accounting standards. Where the fair value of a derivative is positive it is carried as a derivative asset, and where negative as a derivative liability.

For each class of derivative instrument type the total fair value amounts at 31 December 2015 are as follows:

	Assets	Total
	£	£
Foreign exchange forward contracts	179,536	179,536
Total	<u>179,536</u>	<u>179,536</u>

The fair value amounts of derivative financial instruments at 31 December 2015 are all due within one year.

9 Creditors: Amounts falling due within one year

	31 December 2015 £
Trade payables	1,091,571
Amounts owed to parent undertaking	<u>13,696,672</u>
	<u><u>14,788,243</u></u>

Batsworthy Cross Wind Farm Limited

Notes to the Financial Statements for the Period from 3 October 2014 to 31 December 2015 (continued)

10 Called Up Share capital

Allotted, called up and fully paid shares

	31 December 2015	
	No.	£
Ordinary Share of £1 each	<u>1</u>	<u>1</u>

11 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is RWE AG.

These financial statements are available upon request from RWE AG, Opernplatz 1, 45128, Essen, Germany.

12 Parent and ultimate parent undertaking

The company's immediate parent is RWE Innogy UK Limited, a company incorporated in Great Britain.

The ultimate parent company and controlling party is RWE AG, a company incorporated in Germany, which is the parent company of the smallest and largest group to consolidate these financial statements.