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**Gamesa Energy UK Limited**

**Report and Financial Statements**

**31 December 2015**

Registered number: 04768822

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## **Report and financial statements**

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## **Directors**

Javier Arrizabalaga Alberdi

## **Auditors**

Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol BS1 6BX

## **Bankers**

BNP Paribas London Branch  
10 Harewood Avenue  
LONDON NW1 6AA

## **Registered Office**

10 Greycoat Place  
London  
SW1P 1SB

## **Director's Report for the year ended 31 December 2015**

The director presents the annual report and financial statements for Gamesa Energy UK ("the Company") for the year ended 31 December 2015.

The director has taken advantage of the reduced disclosure requirements permitted for small companies by s416 and s417 of the Companies Act 2006.

### **Director of the company**

The director who held office during the year was Javier Arrizabalaga Alberdi.

### **Results and dividends**

The loss of the year, after taxation, amounted to £490,627 (2014 loss: £3,398,028). The Company will not distribute dividends in 2015 (2014: nil dividends distributed).

### **Future developments**

The company has implemented the group business plan for the next 3 years with the aim of being a reference in the sector through the optimization of the cost of energy. During 2015 and 2016 the director and the staff have been focused into getting new contracts, the outcome of this work will arise during the first half of 2017.

### **Financial instrument risks:**

The Company finances its activities through credit facilities available from Gamesa group. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities and are primarily with other group entities.

The management of the business and the execution of the Company's strategy are subject to a number of principal risks and uncertainties. The principal risks and uncertainties affecting the Company are the competitive risk, the legislative risks and the exposure to liquidity and cash flow risk.

#### *Competitive risk*

In the UK the group is reliant on contracts which are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria.

#### *Legislative risks*

In the UK and Europe, wind farms must respect EU standards. These standards are subject to continuous revision and any new Directive may have a material impact on the ability of the Company to manufacture wind farms at a profit.

#### *Liquidity and cash flow risk*

Cash flow risk is the risk of exposure to variability in cash flows. The Company manages this risk, where significant, by use of a credit facility available from Gamesa group.

### **Events since the balance sheet date**

There were no significant events since the balance sheet date which require disclosure in these financial statements.

## Director's Report (continued) for the year ended 31 December 2015

### Going concern

The Company recorded a loss after taxation of £490,627 (2014: a loss of 3,398,028) and has both net current and overall net liabilities at the balance sheet date. As such, the Company is dependent on the continued support of its immediate parent undertaking, Gamesa Energfa S.A.U., in order to meet its financial obligations as they fall due. Gamesa Energfa S.A.U. has committed to providing continued support for at least 12 months from the date of signing these financial statements. The Director has assessed the ability of Gamesa Energfa S.A.U. to provide this support and concluded that it is able to do so.

After making enquiries and taking account of the factors noted above, the Director has concluded that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

### Disclosure of information to auditor

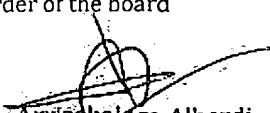
The Director who was members of the board at the time of approving the Directors' Report is listed on page 3. Having made enquiries of fellow Director and of the Company's auditors, the director confirms that:

- to the best of Director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- the Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment Ernst & Young LLP as auditor of the Company.

By order of the board

  
Javier Arrizabalaga Alberdi  
Director

Date: 21<sup>st</sup> March, 2017

## **Statement of Directors' Responsibilities in respect of Directors' Report and the Financial Statements**

The Director is responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 for that period.

In preparing these financial statements, the Director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards and applicable law 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 Director confirms that the financial statements comply with the above requirements.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. He has 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.

## **Report of the independent auditors to the members of Gamesa Energy UK Limited**

We have audited the financial statements of Gamesa Energy UK Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 17. 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), FRS 101 "The Financial Reporting Standard applicable to the UK and Republic of Ireland".

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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 Directors' 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.

### **Opinion**

In our opinion 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 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**

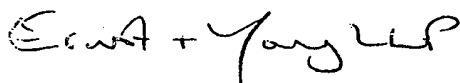
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Report of the independent auditors to the members of Gamesa Energy UK 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the directors' report.



Chris Gilbert (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Bristol

24 March 2017



## Statement of Comprehensive Income for the year ended 31 December 2015

	Note	2015 £	2014 £
<b>Turnover</b>	3	426,955	370,769
Cost of sales		<u>(691,213)</u>	<u>(495,061)</u>
<b>Gross profit</b>		<u>(264,258)</u>	<u>(124,292)</u>
 Administrative expenses	4	 (248,218)	 (520,112)
Impairment loss		<u>-</u>	<u>(2,187,296)</u>
<b>Operating loss</b>		<u>(512,476)</u>	<u>(2,831,700)</u>
 Interest receivable and similar income	6	 230,702	 266,085
Interest payable and similar charges	7	<u>(208,853)</u>	<u>(832,413)</u>
 <b>Loss on ordinary activities before taxation</b>		 (490,627)	 (3,398,028)
 Tax on loss on ordinary activities	8	 <u>-</u>	 <u>-</u>
<b>Loss for the financial year</b>		<u>(490,627)</u>	<u>(3,398,028)</u>
 <b>Total comprehensive loss for the year</b>		 <u>(490,627)</u>	 <u>(3,398,028)</u>

The Company does not have any unrecognised profits or losses other than the losses above.

There is no material difference between the loss on ordinary activities before tax and the loss for the financial year stated above and their historical equivalents.

The results of the year are derived from continuing operations.

The accompanying notes are an integral part of these financial statements.

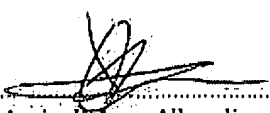
**Statement of changes in equity  
 for the year ended 31 December 2015**

	Share capital <u>£</u>	Retained earnings <u>£</u>	Total equity <u>£</u>
<b>At 1 January 2014</b>	<b>1</b>	<b>(8,807,329)</b>	<b>(8,807,328)</b>
Loss for the financial year	-	(3,398,028)	(3,398,028)
Other comprehensive income / (loss)	<u>11,966,448</u>	<u>-</u>	<u>11,966,448</u>
Total comprehensive income / (loss) for the year	<u>11,966,448</u>	<u>(3,398,028)</u>	<u>8,568,420</u>
<b>At 31 December 2014</b>	<b><u>11,966,449</u></b>	<b><u>(12,205,357)</u></b>	<b><u>(238,908)</u></b>
Loss for the financial year	-	(490,627)	(490,627)
Other comprehensive income / (loss)	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year	<u>-</u>	<u>(490,627)</u>	<u>(490,627)</u>
<b>At 31 December 2015</b>	<b><u>11,966,449</u></b>	<b><u>(12,695,984)</u></b>	<b><u>(729,535)</u></b>

**Balance Sheet**  
**for the year ended 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	9	<u>29,289</u>	<u>46,053</u>
		29,289	46,053
<b>Current assets</b>			
Stock	10	2,894,570	2,684,639
Debtors	11	633,671	166,663
Cash at bank in hand		<u>4</u>	<u>4</u>
		3,528,245	2,851,306
<b>Creditors: amounts falling due within one year</b>	12	<u>4,287,069</u>	<u>3,136,267</u>
<b>Net current liabilities</b>		<u>(758,824)</u>	<u>(284,961)</u>
<b>Total assets less current liabilities</b>		<u>(729,535)</u>	<u>(238,908)</u>
<b>Net liabilities</b>		<u>(729,535)</u>	<u>(238,908)</u>
<b>Capital and reserves</b>			
Called up share capital	13	11,966,449	11,966,449
Profit and loss account		<u>(12,695,984)</u>	<u>(12,205,357)</u>
<b>Total shareholder's deficit</b>		<u>(729,535)</u>	<u>(238,908)</u>

These financial statements were approved by the board on 21 March 2017 and were signed on its behalf by:

  
 .....  
 Javier Arrizabalaga Alberdi  
 Director

## Notes to the financial statements for the year ended 31 December 2015

### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Gamesa Energy UK Limited for the year ended 31 December 2015 were authorised for issue by the board of directors on 21 March 2017 and the balance sheet was signed on the board's behalf by Javier Arrizabalaga. Gamesa Energy UK Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company's financial statements are presented in Sterling.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Gamesa Energía S.A. The results of Gamesa Energía S.A. are included in the consolidated financial statements of Gamesa Corporación Tecnológica, S.A. which are available from Registro Mercantil de Bizkaia, Spain.

The principal accounting policies adopted by the Company are set out in note 2.

#### Going concern

The Company recorded a loss after taxation of £490,627 (2014: £3,398,028) and has both net current and overall net liabilities at the balance sheet date. As such, the Company is dependent on the continued support of its immediate parent undertaking, Gamesa Energía S.A.U., in order to meet its financial obligations as they fall due. Gamesa Energía S.A.U. has committed to providing continued support for at least 12 months from the date of signing these financial statements. The Directors have assessed the ability of Gamesa Energía S.A.U. to provide this support and concluded that it is able to do so.

### 2. Accounting policies

#### 2.1. Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The transition to FRS 101 had no impact on the financial position and financial performance previously reported by the Company as at 1 January 2014 and 31 December 2014.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- (d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in accounting and Errors;
- (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and

## Notes to the financial statements (continued) for the year ended 31 December 2015

### 2. Accounting policies (continued)

#### 2.1. Basis of preparation (continued)

- (i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

#### 2.2. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognized in the financial statements:

#### Taxation

Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

#### 2.3. Foreign currency translation

The company's financial statements are presented in sterling, which is also the company's functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

#### 2.4. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, on a straight-line basis over its expected useful life as follows:

- Plant & machinery – over 3 to 10 years
- Office equipment & software – over 3 to 5 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the income statement in the period of derecognition.

## **Notes to the financial statements (continued)** **for the year ended 31 December 2015**

### **2. Accounting policies (continued)**

#### **2.5. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement.

#### **2.6. Leases**

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

#### **2.7. Financial Instruments**

##### **2.7.1. Financial assets**

###### **Initial recognition and measurement**

Financial assets within the scope of IAS 39 are classified as loans and receivables. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits and trade and other receivables.

###### **Subsequent measurement – loans and receivables**

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

## Notes to the financial statements (continued) for the year ended 31 December 2015

### 2. Accounting policies (continued)

#### 2.7. Financial Instruments (continued)

##### 2.7.2. Financial liabilities

###### Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

###### Subsequent measurement – interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Trade creditors are non-interest bearing and are normally settled on 60 day terms. Other creditors are non-interest bearing and have an average term of six months.

#### 2.8. Stocks

Stocks are stated at the lower of cost and net realizable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Work in progress and finished goods - purchase cost on a specific identification basis

The net realizable value of stock is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### 2.9. Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

## Notes to the financial statements (continued) for the year ended 31 December 2015

### 2. Accounting policies (continued)

#### 2.9. Income taxes (continued)

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

#### 2.10. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### *Development revenue*

The Company's main activity is the development and promotion of windfarms in the UK. Revenue from the development and promotion of windfarms is recognised by reference to pre-set 'milestones' within each project. Where the construction contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

##### *Interest income*

Income is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

### 3. Turnover

	2015	2014
	£	£
Development revenue	426,955	370,769
	<u>426,955</u>	<u>370,769</u>

All turnover was derived in the United Kingdom.



## Notes to the financial statements (continued) for the year ended 31 December 2015

### 3. Administrative Expenses

	2015	2014
	£	£
Staff costs (note 5)	-	102,527
Operating leases	5,338	(7,913)
Depreciation of tangible fixed assets (note 9)	16,764	42,942
Other administrative expenses	226,116	382,556
	<u>248,218</u>	<u>520,112</u>

### 4. Auditor's remuneration

The auditor's remuneration is borne by another group company.

	2015	2014
	£	£
Auditors' remuneration – audit of financial statements	8,335	8,335
	<u>8,335</u>	<u>8,335</u>

### 5. Staff costs and directors' remuneration

	2015	2014
	£	£
Wages and salaries	-	92,238
Social security costs	-	7,825
Other pension costs	-	2,464
	<u>-</u>	<u>102,527</u>

In other pension costs are £0 (2014: £2,464) in respect of the defined contribution schemes. During the year, the directors received no emoluments (2014: £nil).

No emoluments were paid to the directors for their qualifying services to Gamesa Energy UK Limited in the current and preceding period. Director's emoluments are reported in the parent company accounts.

The average monthly number of employees, including the directors, during the year made up as follows:

	2015	2014
	No.	No.
Administration	<u>-</u>	<u>2</u>

## Notes to the financial statements (continued) for the year ended 31 December 2015

### 6. Interest receivable

	2015	2014
	£	£
On amounts owed by group undertakings	--	10
Exchange gain on amounts owed by group undertakings	224,500	262,144
Other interest	6,202	3,941
	<u>230,702</u>	<u>266,085</u>

### 7. Interest payable

	2015	2014
	£	£
On amounts owed to group undertakings	208,853	832,413
	<u>208,853</u>	<u>832,413</u>

### 8. Taxation

#### a) Analysis of the tax charge for the year

	2015	2014
	£	£
UK corporation tax charge on loss for the year	-	-
Deferred tax charge / (credit)	-	-
Total tax charge for the year	<u>-</u>	<u>-</u>

#### b) Reconciliation of the total tax charge

	2015	2014
	£	£
Loss on ordinary activities before tax	<u>(490,627)</u>	<u>(3,398,028)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20,25% (2014: 21,5%)	<u>(99,352)</u>	<u>(730,576)</u>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	4,914	122,608
Capital allowances in excess of depreciation	3,394	(1,168)
Unrelieved tax losses carried forward	<u>91,044</u>	<u>609,136</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

## Notes to the financial statements (continued) for the year ended 31 December 2015

### 8. Taxation (continued)

#### *c) Unrecognised tax losses*

The Company has total tax losses carried forward of £7,539,630 (2014: £7,289,470) which do not have an expiration date. A deferred tax asset of £1,357,133 (2014: £1,457,894) has not been recognized in these financial statements as it is currently uncertain that there will be suitable taxable profits in the future from which the reversal of the underlying timing differences can be deducted.

#### *d) Factors which will affect future tax charges*

The main rate of corporation tax was reduced from 21% to 20% on 1 April 2015. The Finance Act 2015 received Royal Assent on 18th November 2015 and announced a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 and a further reduction to 18% from 1 April 2020. Deferred tax, whilst not provided, has therefore been calculated at 18%.

Subsequently, the Finance Act 2016 was enacted on 15 September 2016 and this included provision for a further reduction in the corporation tax rate to 17%, rather than the 18% mentioned above (from 1 April 2020). As this was not enacted at the Balance Sheet date the further reduction has not been adjusted for.

### 9. Tangible fixed assets

	Plant & machinery £	Office equipment £	Computer software £	Total £
<b>Cost</b>				
At 1 January 2015	277,269	44,341	2,663	324,273
Additions	-	-	-	-
At 31 December 2015	<u>277,269</u>	<u>44,341</u>	<u>2,663</u>	<u>324,273</u>
<b>Depreciation</b>				
At 1 January 2015	(231,216)	(44,341)	(2,663)	(278,220)
Additions	<u>(16,764)</u>	<u>-</u>	<u>-</u>	<u>(16,764)</u>
At 31 December 2015	<u>(247,980)</u>	<u>(44,341)</u>	<u>(2,663)</u>	<u>(294,984)</u>
<b>Net book value</b>				
At 1 January 2015	<u>46,053</u>	<u>-</u>	<u>-</u>	<u>46,053</u>
At 31 December 2015	<u>29,289</u>	<u>-</u>	<u>-</u>	<u>29,289</u>

## Notes to the financial statements (continued) for the year ended 31 December 2015

### 10. Stock

	2015	2014
	£	£
Work in progress	<u>2,894,570</u>	<u>2,684,639</u>

### 11. Debtors

	2015	2014
	£	£
<b>Due within one year</b>		
Amounts owed by group undertakings	613,540	121,962
Other debtors	7,105	5,797
Prepayments and accrued income	<u>13,026</u>	<u>38,904</u>
	<u><b>633,671</b></u>	<u><b>166,663</b></u>

### 12. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	159,967	343,737
Amounts owed to group undertakings	4,128,219	2,750,508
Accruals and deferred income	<u>(1,117)</u>	<u>42,022</u>
	<u><b>4,287,069</b></u>	<u><b>3,136,267</b></u>

Starting 1 January 2014, the Company has a credit line and a cash pooling facility from its parent, Gamesa Energía, S.A.U., for the purpose of working capital. The total credit line available is EUR 14,808,200, the balance at 31 December 2015 is £4.1m creditor. Interest (starting May 2015) is 1M EURIBOR + 0.5% for the cash pooling creditor balances and 3M EURIBOR +0.784% for the credit line balance. The facility has an indefinite term and is renewed automatically each year – for one year.

### 13. Called up share capital

	2015	2014
	£	£
<i>Allotted and fully paid</i>		
1 Ordinary shares of £1 each	<u>11,966,449</u>	<u>11,966,449</u>

On October 2014, the company allotted and issued the number of shares as set below against their name certified and fully paid

<i>Applicant name</i>	<i>Date:</i>	<i>Price per share:</i>	<i>Total amount payable</i>
Gamesa Energía S.A. Unipersonal	08/10/2014	£ 1	£ 11,966,449

## **Notes to the financial statements (continued) for the year ended 31 December 2015**

### **14. Related parties**

The company has taken advantage of the exemption available in FRS101 from disclosing transactions with other members of the group headed by Gamesa Corporation Tecnológica S.A. There are no balances and transactions with related parties which are not 100% owned by Gamesa group

### **15. Ultimate Group undertaking**

The immediate parent undertaking is Gamesa Energía S.A.U., a company incorporated in Spain. The ultimate parent undertaking and the ultimate controlling party of the undertaking is Gamesa Corporation Tecnológica S.A., incorporated in Spain.

The largest and smallest group in which the results of the company are consolidated is that headed by Gamesa Corporation Tecnológica S.A.. The consolidated financial statements of this group can be obtained from Parque Tecnológico de Bizkaia, edificio 222, 48170, Zamudio, Vizcaya, Spain. Also available in the web <http://www.gamesacorp.com/es/accionistas-inversores/informacion-financiera/cuentas-anuales-auditadas/>

### **16. Events since the balance sheet date**

There were no significant events since the balance sheet date which require disclosure in these financial statements.

### **17. Transition to FRS 101**

The Company transitioned from previously extant UK GAAP to FRS 101 as at 1 January 2014. The transition to FRS 101 had no impact on the financial position and financial performance previously reported by the Company as at 1 January 2014 and 31 December 2014.