

**Company Registration No. 07508892**

**REG Roskrow Barton Limited**

**Annual Report and Financial Statements**

**30 June 2013**

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# **REG Roskrow Barton Limited**

## **Annual report and financial statements 2013**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</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>Notes to the accounts</b>	<b>7</b>

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## **REG Roskrow Barton Limited**

### **Officers and professional advisers**

#### **Directors**

A Whalley  
N Harris  
D Crockford

#### **Secretary**

D Crockford

#### **Bankers**

The Co-operative Bank  
Balloon Way  
Manchester

#### **Registered Office**

2 Station View  
Guildford  
Surrey  
GU1 4JY

#### **Independent auditor**

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

# **REG Roskrow Barton 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 period 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 period under review was that of the operation of the 1.7MW wind farm at Roskrow Barton in Cornwall and this is expected to continue to be the principal activity of the Company

### **Results and dividends**

The profit for the period after taxation was £101,560 (2012 £158,925)

The directors do not recommend the payment of a dividend (2012 nil)

### **Directors**

The directors who served throughout the year were as follows

A Whalley  
N Harris  
D Crockford

### **Risks and uncertainties**

The Company uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. At the date of approval of these financial statements the cashflows are fully hedged for the duration of the loan. Hedge accounting has not been applied in these financial statements

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

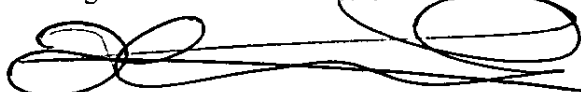
Deloitte LLP have expressed their willingness to continue in office as auditor of the Company and a resolution to reappoint them will be proposed as the forthcoming Annual General Meeting

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

18 December 2013

## **REG Roskrow Barton 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 period. 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, 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 REG Roskrow Barton Limited**

We have audited the financial statements of REG Roskrow Barton for the period ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 profit 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.

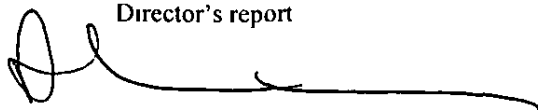
### **Opinion on other matter prescribed by the Companies Act 2006**

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.



Darren Longley FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Reading, United Kingdom

18 December 2013

## REG Roskrow Barton Limited

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

	Notes	Year ended 30 June 2013	28 January 2011 – 30 June 2012
		£	£
Turnover	2	560,755	527,008
Cost of sales		(231,192)	(196,768)
<b>Operating profit</b>	3	<b>329,563</b>	<b>330,240</b>
Administrative expenses		(5,000)	(5,000)
Interest payable and similar charges	4	(126,271)	(129,288)
<b>Profit on ordinary activities before taxation</b>		<b>198,292</b>	<b>195,952</b>
Tax charge on profit on ordinary activities	6	(96,732)	(37,027)
<b>Profit on ordinary activities after taxation</b>		<b>101,560</b>	<b>158,925</b>

All items in the above statement derive from continuing operations

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

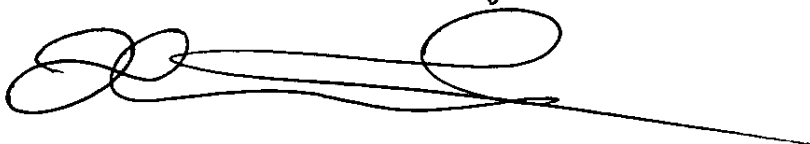
# REG Roskrow Barton Limited

## Balance sheet 30 June 2013

	Notes	2013	2012 £
<b>Fixed assets</b>			
Tangible assets	7	<u>1,679,222</u>	<u>1,794,221</u>
<b>Current assets</b>			
Debtors	8	196,529	152,725
Cash at bank and in hand		232,914	136,314
Restricted cash		<u>127,588</u>	<u>127,038</u>
		557,031	416,077
<b>Creditors: amounts falling due within one year</b>	9	<u>(583,568)</u>	<u>(586,012)</u>
<b>Net current liabilities</b>		(26,537)	(169,935)
<b>Creditors: amounts falling due after more than one year</b>	10	(1,331,923)	(1,427,334)
<b>Provisions for liabilities</b>	11	<u>(59,277)</u>	<u>(37,027)</u>
<b>Net assets</b>		<u>261,485</u>	<u>159,925</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>260,485</u>	<u>158,925</u>
<b>Shareholder's funds</b>		<u>261,485</u>	<u>159,925</u>

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime

The financial statements of REG Roskrow Barton Limited, registered number 07508892 were approved by the board of directors and authorised for issue on 18 December 2013



D Crockford  
Director



# **REG Roskrow Barton Limited**

## **Notes to the accounts**

### **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 and preceding financial year.

During the year audit fees were reclassified as administration costs in the income statement. Prior year comparatives have been restated on the same basis.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **Cash flow statement**

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group.

##### **Going concern**

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 twelve 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 and support from the Group as required. The Company has received written confirmation that intragroup liabilities will not fall due within twelve months from the date these financial statements are approved.

The going concern assessment includes a formal review of covenant compliance for the life of the loan against the forecasts and there is significant headroom within the key variables before any breaches would arise.

##### **Turnover**

Turnover represents the value of power generated during the year, excluding value added tax, in the UK.

##### **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. The following specific recognition criteria must also be met before revenue is recognised:

- a) **Generation revenue**  
Revenue from the sale of electricity represents the invoice value, pre sales tax, of electricity provided to third parties and is recognised when electricity is generated.
- b) **TRIADS revenue**  
Revenue from the sale of TRIADS (bonus for generating at peak demand times during the winter months) represents the invoice value, before sales tax, of TRIADS provided to third parties and is recognised when eligible electricity is generated.

# **REG Roskrow Barton Limited**

## **Notes to the accounts For the year ended 30 June 2013**

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

#### **Revenue recognition (continued)**

##### **c) ROCs, LECs revenue**

Renewable Obligation Certificates (ROCs) are issued to qualifying renewable generators as evidence that a licensed electricity supplier has supplied qualifying electricity to their customers in Great Britain. These certificates may be traded separately from the electricity to which they relate. The ROCs are recorded as accrued income at cost when the electricity to which they relate is generated, and then are re-valued to fair value. This revaluation is recorded in the profit and loss account in revenue due to the linked nature of the generation of electricity to the issue of ROCs. As a result of the fact that these certificates may be traded separately from the electricity to which they relate, revenue may include an amount relating to un-realised ROC sales.

Renewable energy generators who meet Customs & Excise conditions for exemption will be issued with Levy Exemption Certificates (LECs) for their generation. The LECs transfer along with the electricity and can be used by business consumers to claim a levy exemption.

#### **Tangible fixed assets**

Plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

Depreciation is provided on all tangible fixed assets, other than freehold land, at the following annual rates in order to write off each asset over its estimated useful life:

Operating wind sites	-	20 years
Other equipment	-	5 years

#### **Cash at bank and in hand**

Cash at bank and in hand on the balance sheet comprise cash in hand and deposits held at call with banks.

Restricted cash amounts comprise of cash balances held with the banks that are not available to the Company. The funds are used to provide collateral against future debt service costs and scheduled operating costs as part of the Company's finance facilities.

#### **Accrued income**

Accrued income represents accruals for electricity generation income not yet billed.

# **REG Roskrow Barton Limited**

## **Notes to the accounts For the year ended 30 June 2013**

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

#### **Taxation**

Current tax, including UK corporation 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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### **Operating leases**

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease

#### **Bank borrowings**

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period which they arise

#### **Borrowing costs**

Other borrowing costs are expensed as incurred

#### **Foreign currency translation**

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date, with movements in the sterling equivalent of the balance being taken to the profit and loss account

#### **Derivative financial instruments**

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company does not hold derivative financial instruments for speculative purposes. Hedge accounting has not been adopted in these financial statements

## REG Roskrow Barton Limited

### Notes to the accounts

#### For the year ended 30 June 2013

**2. Turnover**

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

**3. Profit on ordinary activities before taxation**

	2013	2012
	£	£
<b>Profit on ordinary activities before taxation is stated after charging:</b>		
Depreciation	115,314	115,303
Rentals under operating leases		
Other operating leases	6,239	4,648
Auditor's remuneration		
Audit fees	5,000	5,000
	<u>          </u>	<u>          </u>

**4 Interest payable and similar charges**

	2013	2012
	£	£
Loan interest paid	98,691	106,009
Amortisation of finance costs	22,783	23,279
Bank charges	4,797	-
	<u>          </u>	<u>          </u>
	<u>126,271</u>	<u>129,288</u>

**5 Information regarding directors and employees**

The Company has no employees. No Directors received any remuneration from the Company during the year.

# REG Roskrow Barton Limited

## Notes to the accounts For the year ended 30 June 2013

### 6. Tax charge on profit on ordinary activities

#### (a) Tax charge on profit on ordinary activities

The tax charge is made up as follows

	2013 £	2012 £
<b>Current tax</b>		
United Kingdom corporation tax at 23.75% (2012: 25.5%) based on the profit for the year	74,482	-
<b>Total current tax</b>	<u>74,482</u>	<u>-</u>
<b>Deferred tax</b>		
Deferred tax credit recognised on acquisition	-	(14,791)
Deferred tax (credit)/charge in relation to capital allowances (less than)/ in excess of depreciation	(25,664)	51,818
Prior year adjustment	50,686	-
Impact of change in tax rate	(2,772)	-
<b>Total deferred tax (note 11)</b>	<u>22,250</u>	<u>37,027</u>
<b>Total tax in profit and loss</b>	<u><u>96,732</u></u>	<u><u>37,027</u></u>

#### (b) Factors affecting current tax charge

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 23.75% (2012: 25.5%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	198,292	195,952
Theoretical tax at UK corporation tax rate of 23.75% (2012: 25.5%)	<u>47,094</u>	<u>49,968</u>
Effects of		
Expenses not deductible for taxation purposes	1,724	1,850
Capital allowances less than/(in excess of) depreciation	25,664	(51,818)
<b>Total current tax</b>	<u><u>74,482</u></u>	<u><u>-</u></u>

#### (c) Factors which may affect future tax charges

The Finance Act 2012, which provides for a reduction in the main rate of tax from 24% to 23% effective 1 April 2013, was substantively enacted on 3 July 2012. The rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

The Government intends to enact future reduction in the main tax rate down to 21% effective from 1 April 2014 and to 20% by 1 April 2015. As these tax rates were not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS21 UK GAAP, as it is a non-adjusting event occurring after the reporting period.

We estimate that the future rate change to 20% would further reduce our deferred tax liability at 30 June 2013 from £59,277 to £51,546.

# REG Roskrow Barton Limited

## Notes to the accounts For the year ended 30 June 2013

### 7. Tangible fixed assets

	<b>Operating wind sites £</b>
<b>Cost</b>	
At 30 June 2012	1,909,524
Additions	315
	<hr/>
At 30 June 2013	1,909,839
	<hr/>
<b>Depreciation</b>	
At 30 June 2012	115,303
Charge for period	115,314
	<hr/>
At 30 June 2013	230,617
	<hr/>
<b>Net book value</b>	
At 30 June 2013	1,679,222
	<hr/> <hr/>
At 30 June 2012	1,794,221
	<hr/> <hr/>

### 8. Debtors

	<b>2013 £</b>	<b>2012 £</b>
Trade debtors	23,021	20,628
Prepayments and accrued income	147,722	45,369
Amounts owed by group undertakings	25,747	7,553
Other debtors	39	79,175
	<hr/>	<hr/>
	196,529	152,725
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2013 £</b>	<b>2012 £</b>
Bank loans and overdrafts	95,807	87,179
Trade creditors	7,141	8,966
Amounts owed to group companies	460,380	474,756
Accruals	20,240	15,111
	<hr/>	<hr/>
	583,568	586,012
	<hr/> <hr/>	<hr/> <hr/>

# REG Roskrow Barton Limited

## Notes to the accounts For the year ended 30 June 2013

### 10. Creditors. amounts falling due after more than one year

	2013 £	2012 £
<b>Bank loans</b>		
Between one and two years	104,612	95,807
Between two and five years	372,281	342,461
Over five years	855,030	989,066
	<u>1,331,923</u>	<u>1,427,334</u>

The borrowing facilities have a term which runs until 30 June 2023 and carry interest at at 3 month LIBOR plus 2 50% The exposure to movements in interest rates has been hedged using interest rate swap contracts (note 14)

They are secured against the tangible fixed assets of the Company and cross collateralised against the share capital of REG Tranche 1 Holdings Limited, a company which owns the share capital of four other companies that operate wind farms

### 11. Deferred tax

	2013 £	2012 £
Deferred tax liability included as a provision falling due in more than one year	59,277	37,027
	<u>59,277</u>	<u>37,027</u>
<b>The gross movement on the deferred tax account is</b>		
Balance at 30 June 2012	37,027	-
Charge to profit and loss account	(25,664)	37,027
Prior year adjustment	50,686	-
Impact of change in tax rate	(2,772)	-
	<u>59,277</u>	<u>37,027</u>
Balance at 30 June 2013	59,277	37,027
	<u>59,277</u>	<u>37,027</u>
<b>Deferred tax is provided as follows:</b>		
Capital allowances in advance of depreciation	59,277	37,027
	<u>59,277</u>	<u>37,027</u>

### 12. Share capital

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each at par	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

## REG Roskrow Barton Limited

### Notes to the accounts For the year ended 30 June 2013

#### 13. Reconciliation of shareholder's funds and movement on reserves

	Share capital £	Profit and loss account £	Total £
At 30 June 2012	1,000	158,925	159,925
Profit for the year	-	101,560	101,560
At 30 June 2013	1,000	260,485	261,485

#### 14. Derivatives not included at fair value

The Company has derivatives which are not included at fair value in the accounts

	2013 Principal £	2013 Fair value £	2012 Principal £	2012 Fair value £
Interest rate swap contracts	1,547,652	(129,110)	1,514,851	(175,006)

An interest rate swap contract with a nominal value of £1,547,652 has fixed interest payments at a rate of 6% for the 12 year period of the debt, ending on 30 June 2023 and has floating interest receipts at 3 month LIBOR plus 2.50%

#### 15. Related party disclosures

The Company has taken advantage of the exemption under Financial Reporting Standard 8 from providing details of related party transactions with group related parties

#### 16. 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.

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