

**Company Registration No. 07508892**

**REG Roskrow Barton Limited**

**Annual Report and Financial Statements**

**30 June 2012**

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# **REG Roskrow Barton Limited**

## **Annual report and financial statements 2012**

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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 2012

The company was incorporated on 28 January 2011 and is wholly owned by REG Tranche 1 Holdings Limited

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**

Following the purchase of the operating wind farm on 30 June 2011, 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

### **Results and dividends**

The profit for the period after taxation was £158,925

The directors do not recommend the payment of a dividend

### **Directors**

The directors who served throughout the year, except as noted, 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 and pricing are fully hedged for the duration of the loan

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

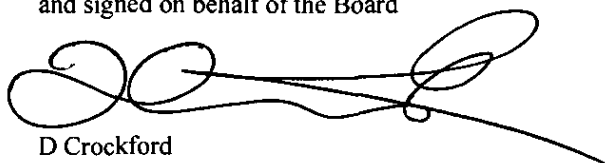
Deloitte LLP have expressed their willingness to continue in office as auditor of the company and a resolution to reappoint them will be proposed as the forthcoming Annual General Meeting

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

19

October 2012

# **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 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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 2012 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.

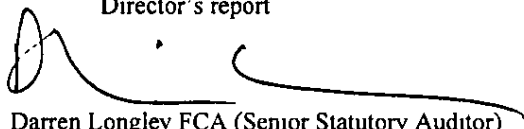
### **Opinion on other matter prescribed by the Companies Act 2006**

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  
Crawley, United Kingdom

19 October 2012

## **REG Roskrow Barton Limited**

### **Profit and loss account For the period ended 30 June 2012**

	Notes	28 January 2011 – 30 June 2012 £
Turnover	2	527,008
Cost of sales		(201,768)
<b>Operating profit</b>	3	<b>325,240</b>
Interest payable and similar charges	4	(129,288)
<b>Profit on ordinary activities before taxation</b>		<b>195,952</b>
Tax charge on profit on ordinary activities	6	(37,027)
<b>Profit on ordinary activities after taxation</b>		<b>158,925</b>

The Company commenced trade on 30 June 2011. 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.

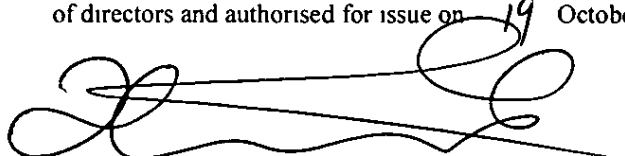
# REG Roskrow Barton Limited

## Balance sheet 30 June 2012

	Notes	2012 £
<b>Fixed assets</b>		
Tangible assets	7	1,794,221
<b>Current assets</b>		
Debtors	8	152,725
Cash at bank and in hand		136,314
Restricted cash		127,038
		416,077
<b>Creditors: amounts falling due within one year</b>	9	(586,012)
<b>Net current (liabilities)</b>		(169,935)
<b>Creditors, amounts falling due after one year</b>	10	(1,427,334)
<b>Provisions for liabilities</b>	11	(37,027)
<b>Net Assets</b>		159,925
<b>Capital and reserves</b>		
Called up share capital	12	1,000
Profit and loss account	13	158,925
<b>Shareholder's funds</b>		159,925

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 19 October 2012



D Crockford  
Director



# **REG Roskrow Barton Limited**

## **Notes to the accounts For the year ended 30 June 2012**

### **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.

#### **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 12 months from the date that these financial statements were approved, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due for the foreseeable future from cash flows from operations and existing working capital. The Company has received written confirmation that intergroup liabilities will not fall due within twelve months from the date these financial statements are approved.

This includes a formal review of covenant compliance for the life of the loan against our 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 Group 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 2012**

### **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 levy exemption.

#### **Interest income**

Revenue is recognised as interest accrues.

#### **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 2012**

### **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 generally 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 2012**

#### **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**

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

#### **4. Interest payable and similar charges**

	<b>2012</b>
	<b>£</b>
Loan interest paid	106,009
Amortisation of finance costs	23,279
	<hr/> <hr/>
	129,288

#### **5. Information regarding directors and employees**

The company has no employees

# REG Roskrow Barton Limited

## Notes to the accounts For the year ended 30 June 2012

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

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

The tax charge is made up as follows

	2012 £
<b>Current tax</b>	
United Kingdom corporation tax at 25 5% based on the profit for the year	-
Total current tax	-
<b>Deferred tax</b>	
Deferred tax credit recognised on acquisition	(14,791)
Deferred tax charge in relation to capital allowances exceeding depreciation	51,818
Total deferred tax (note 11)	37,027
Total tax in profit and loss	37,027

#### (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 25 5% The differences are explained below

	2012 £
Profit on ordinary activities before taxation	195,952
Theoretical tax at UK corporation tax rate of 25 5%	49,968
Effects of	
Expenses not deductible for taxation purposes	1,868
Capital allowances in excess of depreciation	(51,818)
Total current tax	-

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

In the Finance Bill 2012, the UK Government announced a reduction in the main rate of corporation tax from 25% to 24% effective from 1 April 2012 The 24% tax rate was substantively enacted on 26 March 2012 This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date

The Government intends to enact further reductions in the main tax rate of 1% each year, down to 23% effective from 1 April 2013 and to 22% by 1 April 2014 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 FRS 21, as it is a non-adjusting event occurring after the reporting period

# REG Roskrow Barton Limited

## Notes to the accounts For the year ended 30 June 2012

### 7. Tangible fixed assets

	Operating wind sites £	Total £
<b>Cost</b>		
At 28 January 2011	-	-
Additions	1,909,524	1,909,524
	<hr/>	<hr/>
At 30 June 2012	1,909,524	1,909,524
	<hr/>	<hr/>
<b>Depreciation</b>		
At 28 January 2011	-	-
Charge for period	115,303	115,303
	<hr/>	<hr/>
<b>Net book value</b>		
At 30 June 2012	1,794,221	1,794,221
	<hr/>	<hr/>
At 28 January 2011	-	-
	<hr/>	<hr/>

Operating wind sites includes the acquired cost of £1,909,524 for the 1 7MW Roskrow Barton wind farm in Cornwall. These assets were acquired on 30 June 2011 from REG Windpower Limited, a group company at book value.

### 8. Debtors

	2012 £
Trade debtors	20,628
Prepayments and accrued income	45,369
Amounts owed by group undertakings	7,553
Other debtors	79,175
	<hr/>
	152,725
	<hr/>

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

	2012 £
Bank loans and overdrafts	87,179
Trade creditors	8,966
Amounts owed to group companies	474,756
Accruals	15,111
	<hr/>
	586,012
	<hr/>

## REG Roskrow Barton Limited

### Notes to the accounts For the year ended 30 June 2012

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

	2012 £
Between one and two years	95,807
Between two and five years	342,461
Over five years	989,066
	<u>1,427,334</u>

The borrowing facilities have a term which runs until 30 June 2023 and carry interest at 6%. 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 wind farms.

#### 11. Deferred tax

	2012 £
Deferred tax liability included as a provision falling due in more than one year	37,027
	<u>37,027</u>
<b>The gross movement on the deferred tax account is:</b>	
Balance at 28 January 2011	-
Charge to profit and loss account	37,027
Impact of change in tax rate	-
	<u>37,027</u>
Balance at 30 June 2012	37,027
	<u>37,027</u>
<b>Deferred tax is provided as follows:</b>	
Capital allowances in advance of depreciation	37,027
	<u>37,027</u>

#### 12. Share capital

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

# REG Roskrow Barton Limited

## Notes to the accounts For the year ended 30 June 2012

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

	Share capital £	Profit and loss account £	Total £
At 28 January 2011	-	-	-
Issue of ordinary shares at par	1,000	-	1,000
Profit for the period	-	158,925	158,925
At 30 June 2012	1,000	158,925	159,925

### 14. Derivatives not included at fair value

	Principal £	Fair value £
Interest rate swap contracts	1,514,851	(175,006)

An interest rate swap contract with a nominal value of £1,514,851 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. Obligations under operating leases

The company has annual land and building commitments under non-cancellable operating leases as follows

	2012 £
<b>Expiry date</b>	
- between two and five years	-
- between two and five years	-
- after five years	4,648

### 16. 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

### 17. Capital commitments

As at the year end there were no capital commitments

### 18. 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