

BRYN BLAEN WIND FARM LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

WEDNESDAY



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BRYN BLAEN WIND FARM LIMITED

COMPANY INFORMATION

Directors	S J Radford M O Shepherd R Upton M S Weiner S Whittle (appointed 25 September 2017) B D Cassels (resigned 29 September 2017)
Company secretary	C J Barton
Registered number	07638774
Registered office	7a Howick Place London SW1P 1DZ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

BRYN BLAEN WIND FARM LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018**

Business review, principal activities and future developments

The principal activity of the company during the year and for the foreseeable future is that of wind farm development. The Directors do not foresee any change in the future activities of the company.

The company made no profit and incurred no loss for the year (2017: £Nil).

The Directors are unable to recommend the payment of a dividend (2017: £Nil).

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The company is a member of the U and I Group PLC group of companies. Further discussion of the risks and uncertainties, in the context of the group as a whole, is provided in the group's annual report which does not form part of this report.

Financial key performance indicators (KPIs)

The Directors of the U and I Group PLC manage the group's operations on a group basis. For this reason, the company's directors believe that an analysis using KPIs for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of the group is discussed in the group's annual report which does not form part of this report.

This report was approved by the board on **6 AUGUST 2018** and signed by its order.



C J Barton
Company secretary

BRYN BLAEN WIND FARM LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018**

The Directors present the audited report and financial statements for the year ended 28 February 2018.

Result and dividends

The company made no profit and incurred no loss for the year (2017: £Nil).

The Directors are unable to recommend the payment of a dividend (2017: £Nil).

Details of the business review and future developments of the company are discussed in the Strategic report on page 1.

Directors

The Directors who served during the year and up to the date of signing these financial statements were:

S J Radford
M O Shepherd
R Upton
M S Weiner
S Whittle (appointed 25 September 2017)
B D Cassels (resigned 29 September 2017)

Qualifying third party indemnity provisions

The company maintains directors' and officers' liability insurance, which is reviewed annually and is considered to be adequately insured. Such qualifying third party indemnity provisions were in place during the year and remain in place at the date of approving the directors' report.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *6 AUGUST 2018* and signed by its order.



C J Barton
Company secretary

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2018**

The Directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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 auditors' report to the members of Bryn Blaen Wind Farm Limited

Report on the audit of the financial statements

Opinion

In our opinion, Bryn Blaen Wind Farm Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 28 February 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below. Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 28 February 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 28 February 2017, forming the corresponding figures of the financial statements for the year ended 28 February 2018, are unaudited.



Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

6 August 2018

BRYN BLAEN WIND FARM LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2018**

	Note	2018 £	2017 £
Interest payable and similar expenses	6	164,396	-
Interest capitalised	6	(164,396)	-
Result before tax		-	-
Tax on result	7	-	-
Result for the financial year		-	-

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £NIL).

All amounts relate to continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

BRYN BLAEN WIND FARM LIMITED
REGISTERED NUMBER: 07638774

BALANCE SHEET
AS AT 28 FEBRUARY 2018

	Note	2018 £	2017 £
Fixed assets			
Assets under construction	8	26,994,787	-
		<u>26,994,787</u>	<u>-</u>
Current assets			
Restricted cash		902,500	-
Debtors	9	5,965,772	1
Cash at bank and in hand	10	583,104	-
		<u>7,451,376</u>	<u>1</u>
Creditors: amounts falling due within one year	11	<u>(13,931,283)</u>	<u>-</u>
Net current (liabilities)/assets		(6,479,907)	1
Total assets less current liabilities		20,514,880	1
Creditors: amounts falling due after more than one year		<u>(20,514,879)</u>	<u>-</u>
Net assets		1	1
Capital and reserves			
Called up share capital	14	1	1
Total equity		1	1

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 AUGUST 2018.



M O Shepherd
 Director

The notes on pages 9 to 14 form part of these financial statements.

BRYN BLAEN WIND FARM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2018**

	Called up share capital	Total equity
	£	£
At 1 March 2016	1	1
Total comprehensive result for the year	-	-
At 1 March 2017	1	1
Total comprehensive result for the year	-	-
At 28 February 2018	1	1

The notes on pages 9 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

1. General information

Bryn Blaen Wind Farm Limited is a public limited company and is incorporated and domiciled in England. The address of its registered office is 7A Howick Place, SW1P 1DZ, London.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have prepared the financial statements on the going concern basis, on the grounds that the company can meet its liabilities as they fall due.

2.3 Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, U and I Group PLC, includes the company's cash flows in its own consolidated financial statements.

This company discloses transactions with related parties which are not wholly owned within the U and I Group PLC group. It does not disclose transactions with members of the U and I Group PLC group that are wholly owned.

2.4 Assets under construction

Assets under construction, comprising developments of wind farm and construction of wind turbines, is stated at the lower of cost and fair value less cost to sell. Cost also includes directly attributable expenditure. No depreciation is provided. Where directors consider that the costs are not recoverable from the proposed scheme, the project or site is written down to its net realisable value, with the write-down taken to the Statement of comprehensive income. Fair value less cost to sell is calculated as the estimated realisable value of the project or site, based upon our current plans, less all further costs to be incurred in making the sale.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from group undertakings.

Financial assets

Cash and cash equivalents – Cash comprises cash in hand and on-demand deposits less overdrafts. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

Trade creditors – Trade creditors are recognised at the original transaction value and subsequently measured at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Finance costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the company's accounting policies. Not all of these accounting policies require management to make difficult, subjective or complex judgements or estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The management believes that there was no material judgement or estimation involved in the preparation of these financial statements.

4. Operating result

The operating result is stated after charging:

The auditors' remuneration for the statutory audit of the company of £2,500 (2017: £Nil) has been borne by U and I Group PLC, the ultimate parent company.

5. Employees

The company has no employees other than the Directors (2017: none). Their remuneration, including pension costs, is not borne directly by the company but by U and I Group PLC. The entity did not incur any costs in relation to salaries recharged (2017: £Nil).

BRYN BLAEN WIND FARM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

6. Interest payable and similar expenses

	2018	2017
	£	£
Bank loan interest payable	164,396	-
Interest capitalised	(164,396)	-
	-	-
	-	-

7. Taxation

	2018	2017
	£	£
Total current tax	-	-
	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017: the same as) the standard rate of corporation tax in the UK of 19.10% (2017: 20.02%) as set out below:

	2018	2017
	£	£
Result on ordinary activities before tax	-	-
	-	-
Result on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.10% (2017: 20.02%)	-	-
Effects of:		
Total tax charge for the year	-	-
	-	-

Factors that may affect future tax charges

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

BRYN BLAEN WIND FARM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

8. Assets under construction

	Assets under construction £
At cost	
Additions at cost	26,994,787
At 28 February 2018	<u>26,994,787</u>

9. Debtors

	2018 £	2017 £
VAT repayable	5,965,772	1
	<u>5,965,772</u>	<u>1</u>

10. Cash at hand and in bank

	2018 £	2017 £
Cash at bank and in hand	583,104	-
	<u>583,104</u>	<u>-</u>

BRYN BLAEN WIND FARM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loan	485,121	-
VAT facility loan	1,901,287	-
Trade creditors	7,397	-
Amounts owed to group undertakings	11,537,478	-
	13,931,283	-
	13,931,283	-

The VAT facility loan was used for the sole purpose of assisting with the payment of VAT in connection with the Project, and attracts an interest rate of LIBOR + 3% per annum. The facility was fully repaid on 17 April 2018.

The amounts owed to group undertakings are interest free, unsecured and repayable on demand.

12. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loan	20,514,879	-
	20,514,879	-
	20,514,879	-

The bank loan is secured by way of charges on the share capital and development property owed by the company and the loan attracts an interest rate of LIBOR + 3.0% per annum. The overall bank loan of £21,000,000 is repayable in instalments with the remaining principal repaid on 29 February 2020.

13. Commitments under operating leases

At 28 February 2018 the company had future minimum lease payments under non-cancellable operating leases as follows

	2018 £	2017 £
Not later than 1 year	77,500	-
	77,500	-
	77,500	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

14. Called up share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
1 (2017: 1) Ordinary share of £1	<u>1</u>	<u>1</u>

15. Controlling party

The immediate parent company is DS Renewables LLP. The ultimate parent company of the largest group and smallest group of which Bryn Blaen Wind Farm Limited is a member and for which consolidated financial statements are produced is U and I Group PLC, incorporated in Great Britain and registered in England and Wales.

Copies of the annual report and financial statements of both DS Renewables LLP and U and I Group PLC can be obtained from 7A Howick Place, London SW1P 1DZ.