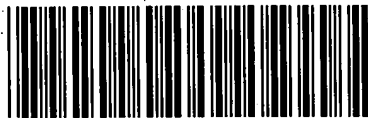


Longhorn Power Limited

Directors' report and financial statements

for the year ended 29 February 2016

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Longhorn Power Limited

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Longhorn Power Limited

Company information

Directors	G La Loggia (appointed 30 March 2016) OCS Services Limited
Company secretary	S Ludlow
Registered number	09125980
Registered office	6th Floor 33 Holborn London EC1N 2HT
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Solicitors	Shakespeare Martineau LLP No. 1 Colmore Square Birmingham B4 6AA

Longhorn Power Limited

Directors' report for the year ended 29 February 2016

The directors present their report and the audited financial statements of the company for the year ended 29 February 2016.

Principal activities

The company is the parent company of a group of which the principal activities are that of construction and operation of an anaerobic digestion plant with the intention of exporting electricity to the grid.

Going concern

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

Directors

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

G La Loggia (appointed 30 March 2016)
OCS Services Limited
E Fellows (resigned 31 March 2015)

Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Longhorn Power Limited

**Directors' report
for the year ended 29 February 2016**

Statement of 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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.

Small companies' exemption

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Auditors

During the year, PricewaterhouseCoopers LLP were appointed as auditors. The prior year balances have not been audited or reviewed.

This report was approved by the board on 28 November 2016 and signed on its behalf.



G. La Loggia
Director

Longhorn Power Limited

Independent auditors' report to the members of Longhorn Power Limited

Report on the financial statements

Our opinion

In our opinion Longhorn Power Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 29 February 2016 and of its loss the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements included within the Directors' report and financial statements (the "Annual report"), comprise:

- the Balance sheet as at 29 February 2016;
- the Profit and loss account for the year ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is the Financial Reporting Standard for Smaller Entities (Effective January 2015), and applicable law (United Kingdom Generally Accepted Accounting Practice) applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Longhorn Power Limited

Independent auditors' report to the members of Longhorn Power Limited

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, 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 from preparing a Strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Longhorn Power Limited

Independent auditors' report to the members of Longhorn Power Limited

Other matter

Company financial statements - Unaudited prior year comparatives

The accompanying financial statements include information as at, and for the year ended 28 February 2015, that has not been audited or reviewed.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

28 November 2016

Longhorn Power Limited

**Profit and loss account
for the year ended 29 February 2016**

	Note	2016 £	Unaudited 2015 £
Administrative expenses		<u>(3,734,407)</u>	<u>(130,544)</u>
Operating loss	2	(3,734,407)	(130,544)
Interest receivable and similar income		295,850	-
Interest payable and similar charges		<u>(312)</u>	<u>-</u>
Loss on ordinary activities before taxation		(3,438,869)	(130,544)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
Loss for the financial year	8	<u>(3,438,869)</u>	<u>(130,544)</u>

All amounts above relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

The notes on pages 9 to 12 form part of these financial statements.

Longhorn Power Limited
Registered number: 09125980

Balance sheet
as at 29 February 2016

	Note	£	2016 £	£	Unaudited 2015 £
Fixed assets					
Investments	4		-		-
Current assets					
Debtors: amounts falling due after more than one year	5	447,477		-	
Debtors: amounts falling due within one year	5	286,657		600	
Cash at bank and in hand		9,847		4,123,907	
		743,981		4,124,507	
Creditors: amounts falling due within one year	6	-		(3,600)	
Net current assets			743,981		4,120,907
Net assets			743,981		4,120,907
Capital and reserves					
Called up share capital	7		43,134		42,515
Share premium account	8		4,270,260		4,208,936
Profit and loss account	8		(3,569,413)		(130,544)
Total shareholders' funds	9		743,981		4,120,907

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 November 2016.


G La Loggia
 Director

The notes on pages 9 to 12 form part of these financial statements.

Longhorn Power Limited

Notes to the financial statements for the year ended 29 February 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The accompanying financial statements include comparative information as at, and for the year ended 28 February 2015 that have not been audited or reviewed.

1.2 Consolidation

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Going concern

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Deferred taxation

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

1.6 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Longhorn Power Limited

Notes to the financial statements for the year ended 29 February 2016

1. Accounting policies (continued)

1.7 Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

2. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Auditors' remuneration	1,850	-
Auditors' remuneration - financial statements preparation	515	-
Auditors' remuneration - taxation compliance services	875	-
Provision against amounts owed by group undertakings	3,731,523	-
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2015 - £nil).

3. Tax on loss on ordinary activities

	2016	2015
	£	£
UK corporation tax charge on loss for the year	-	-
	<u> </u>	<u> </u>

The company has no tax liability for the year and there are tax losses of approximately £nil (2015 - £nil) available to carry forward. The company has not recognised a deferred tax asset in respect of losses available to carry forward due to there being insufficient certainty regarding its recovery.

4. Investments

Subsidiary undertakings

The company owns 100% of the ordinary share capital of Piper Farms Energy Limited, a company registered in England and Wales.

Longhorn Power Limited

**Notes to the financial statements
for the year ended 29 February 2016**

5. Debtors

	2016 £	2015 £
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>447,477</u>	<u>-</u>
Amounts falling due within one year		
Prepayments and accrued income	285,852	600
Vat recoverable	805	-
	<u>286,657</u>	<u>600</u>

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £447,477 (2015 - £nil). The loans bear interest at 8.5% (2015 - nil%) and are repayable after more than five years.

Amounts owed by group undertakings are stated after provisions for doubtful debts of £3,731,523 (2015 - £nil).

**6. Creditors:
Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	<u>-</u>	<u>3,600</u>

7. Called up share capital

	2016 £	2015 £
Allotted and fully paid		
4,313,394 (2015 - 4,251,394) Ordinary shares of £0.01 each	43,134	42,515
1 (2015 - nil) Deferred share of £0.01 each	-	-
	<u>43,134</u>	<u>42,515</u>

During the year, 62,000 shares were issued for cash at a premium of £99.07 per share. The nominal value of these shares was £0.01 and the consideration received was £61,943 after deducting expenses of £nil.

8. Reserves

	Share premium account £	Profit and loss account £
At 1 March 2015	4,208,936	(130,544)
Loss for the financial year	-	(3,438,869)
Premium on shares issued during the year	61,324	-
	<u>4,270,260</u>	<u>(3,569,413)</u>
At 29 February 2016		

Longhorn Power Limited

Notes to the financial statements for the year ended 29 February 2016

9. Reconciliation of movements in shareholders' funds

	2016 £	2015 £
Opening shareholders' funds	4,120,907	-
Loss for the financial year	(3,438,869)	(130,544)
Shares issued during the year	619	42,515
Share premium on shares issued (net of expenses)	61,324	4,208,936
	<u>743,981</u>	<u>4,120,907</u>
Closing shareholders' funds	<u>743,981</u>	<u>4,120,907</u>

10. Related party transactions

Piper Farms Energy Limited

During the year ended 29 February 2016 a loan totalling £4,179,000 (2015 - £nil) was given to Piper Farm Energy Limited, a related party due to it being a subsidiary of the entity. At the year end, an amount of £447,477 (2015 - £nil) was outstanding and included within debtors. Interest of £295,850 (2015 - £nil) was receivable on the loan with £285,852 (2015 - £nil) included in debtors at the year end.

11. Ultimate controlling party

The directors do not consider the company to have an ultimate controlling party or parent company, by virtue of a split holding in its shares. The results of the company are not consolidated within any other company.