Registration number: 03082227

Lynch Knoll Wind Park Limited

Directors' Report and Unaudited Financial Statements

for the Year Ended 30 April 2018

Lynch Knoll Wind Park Limited

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Lynch Knoll Wind Park Limited

Company Information

Directors	Dale Vince Asif Rehmanwala
Company secretary	Tom Cowling
Registered office	Lion House Rowcroft Stroud Gloucestershire GL5 3BY
Accountants	Grant Thornton UK LLP Chartered Accountants 2 Glass Wharf Bristol BS2 0EL

Lynch Knoll Wind Park Limited

Directors' Report for the Year Ended 30 April 2018

The Directors present their report and the financial statements for the year ended 30 April 2018.

Principal activities
The principal activity of the Company is the production and supply of wind powered electricity.

Directors of the Company
The Directors who held office during the year were as follows:

Dale Vince

Asif Rehmanwala

Garry Peagam (resigned 6 July 2017)

Dividends
There were no dividends paid during the year (2017: £Nil).

Small companies provision statement
The Company has taken advantage of the small companies exemption provided in section 415A of the Companies Act 2006 in preparing the Directors' Report and the small companies exemption in section 414B in preparing the Strategic Report.

Approved by the Board on 20 December 2018 and signed on its behalf by:

....
Dale Vince
Director

Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

Lynch Knoll Wind Park Limited

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 elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standards 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 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; 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Lynch Knoll Wind Park Limited

Profit and Loss Account for the Year Ended 30 April 2018

	Note	2018 £	2017 £
Turnover	3	71,863	84,217
Administrative expenses		(37,106)	(79,309)
Profit before taxation		34,757	4,908
Taxation on profit	8	(816)	3,897
Profit for the financial year		33,941	8,805

The notes on pages 8 to 16 form an integral part of these financial statements.

Lynch Knoll Wind Park Limited

Statement of Other Comprehensive Income for the Year Ended 30 April 2018

	Note	2018 £	2017 £
Profit for the financial year		33,941	8,805
Fixed asset revaluations		(54,679)	-
Income tax on other comprehensive income	8	13,774	1,707
Other comprehensive income for the year, net of income tax		(40,905)	1,707
Total comprehensive income for the year		(6,964)	10,512

The notes on pages 8 to 16 form an integral part of these financial statements.

Lynch Knoll Wind Park Limited

(Registration number: 03082227)
Balance Sheet as at 30 April 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	197,908	289,553
Current assets			
Debtors	10	110,155	59,669
Cash at bank and in hand	11	25,000	5,000
		135,155	64,669
Creditors: Amounts falling due within one year	12	(8,608)	(9,845)
Net current assets		126,547	54,824
Total assets less current liabilities		324,455	344,377
Provisions for liabilities	13	(16,154)	(29,112)
Net assets		308,301	315,265
Capital and reserves			
Called up share capital	14	2	2
Revaluation reserve		16,703	84,126
Profit and loss account		291,596	231,137
Total equity		308,301	315,265

For the financial year ending 30 April 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 20 December 2018 and signed on its behalf by:

....

Dale Vince

Director

Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

Lynch Knoll Wind Park Limited

Statement of Changes in Equity for the Year Ended 30 April 2018

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 May 2017	2	84,126	231,137	315,265
Profit for the year	-	-	33,941	33,941
Other comprehensive income	-	(40,905)	-	(40,905)
Transfers from revaluation reserve	-	(26,518)	26,518	-
At 30 April 2018	2	16,703	291,596	308,301

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 May 2016	2	104,857	199,894	304,753
Profit for the year	-	-	8,805	8,805
Other comprehensive income	-	1,707	-	1,707
Transfers from revaluation reserve	-	(22,438)	22,438	-
At 30 April 2017	2	84,126	231,137	315,265

1 General information

The company is a private company limited by share capital incorporated in the UK. The presentation currency of these financial statements is sterling.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Basis of preparation
These financial statements have been prepared using the historical cost convention except for power generating assets which are measured in accordance with the revaluation model.

Name of parent of group
These financial statements are consolidated in the financial statements of the Company's ultimate parent undertaking, Ecotricity Group Limited.

The financial statements of Ecotricity Group Limited may be obtained from Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY

In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:
- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation..

Going concern
After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover
Turnover comprises the fair value of the consideration received or receivable for the sale of electricity and related renewable credits in the ordinary course of the Company's activities. Turnover is shown net of value added tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the power is supplied.

Interest receivable and interest payable
Interest income and interest payable are recognised in the profit and loss as they accrue on funds invested or borrowed, using the effective interest method.

2 Accounting policies (continued)

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences between accumulated depreciation and tax allowances for the cost of a fixed asset are not provided if and when all conditions for retaining tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities and other future taxable profits.

Tangible assets
Tangible assets are stated at fair value less any subsequent accumulated depreciation.

Gains on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

At the end of each financial period, the Company assesses whether tangible fixed assets are impaired.

Depreciation
Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Asset class	***Depreciation method and rate***
Plant and machinery	24 years with estimated residual value being 25% of the revalued amount

2 Accounting policies (continued)

Impairment of non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss, except to the extent that they reverse any previously recognised valuation increase accumulated in equity in respect of that asset; any excess is recognised in profit and loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors
Trade debtors include amounts due from customers for electricity sold and renewables credits earned in the ordinary course of business.

Trade debtors are recognised initially at the transaction price less attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors
Trade creditors include obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions
A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Lease incentives are recognised over the length of the lease.

2 Accounting policies (continued)

Share capital
Ordinary shares are classified as equity as they include no contractual obligations upon the Company. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends
Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Turnover

Turnover consists of sales wholly in the United Kingdom arising on the following continuing activites:

	2018 £	2017 £
Sale of electricity	38,459	45,571
Renewables credits	33,404	38,646
	71,863	84,217

4 Expenses

Included in profit are the following:

	2018 £	2017 £
Depreciation expense	36,966	36,966
Operating lease expense - land	8,312	7,033

5 Staff costs

The Company had no employees or staff costs in either year.

6 Directors' remuneration

Directors' remuneration is in respect of qualifying services to other entities in the Group and was borne by the ultimate parent company, Ecotricity Group Limited, in both years.

7 Auditor's remuneration

	2018 £	2017 £
Audit of the financial statements	-	2,500

Amounts receivable by the Company's auditor and their associates in respect of services to the Company and its associates for 2017, other than the audit of the Company's financial statements, have not been disclosed for the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Ecotricity Group Limited.

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity:

	2018 £	2017 £
Current taxation		
UK corporation tax	-	-
Total current income tax	-	-
Deferred taxation		
Origination and reversal of timing differences	(12,958)	(5,382)
Effect of tax rate change on opening deferred tax balances	-	(222)
Total deferred taxation	(12,958)	(5,604)
Total tax credit	(12,958)	(5,604)

	2018			2017		
	Current Tax £	Deferred tax £	Total tax £	Current tax £	Deferred tax £	Total tax £
Taxation						
Recognised in profit and loss account	-	816	816	-	(3,897)	(3,897)
Recognised in other comprehensive income	-	(13,774)	(13,774)	-	(1,707)	(1,707)
	-	(12,958)	(12,958)	-	(5,604)	(5,604)

Lynch Knoll Wind Park Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017: lower than the standard rate of corporation tax in the UK) of 19% (2017: 19.92%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	34,757	4,908
Corporation tax at standard rate	6,604	978
Fixed asset differences	(7,551)	2,940
Group relief claimed	(13,536)	(8,224)
Reduction in tax rate on deferred tax balances	1,525	(1,298)
Deferred tax credited directly to other comprehensive income	13,774	1,707
Total tax charge/(credit) in profit and loss	816	(3,897)

From 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 April 2018 has been calculated based on these rates.

9 Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Valuation			
At 1 May 2017	80,079	283,406	363,485
Revaluations	-	(165,577)	(165,577)
At 30 April 2018	80,079	117,829	197,908
Depreciation			
At 1 May 2017	-	73,932	73,932
Charge for the year	-	36,966	36,966
Depreciation write back on revaluation	-	(110,898)	(110,898)
At 30 April 2018	-	-	-
Carrying amount			
At 30 April 2018	80,079	117,829	197,908
At 30 April 2017	80,079	209,474	289,553

Historic cost

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS 102.

	2018 £	2017 £
At valuation	117,829	283,406
Aggregate depreciation thereon	-	(73,932)
Net book value	117,829	209,474
Historical cost of revaluaed assets	334,331	334,331
Aggregate depreciation thereon	(234,859)	(224,411)
Historical cost net book value	99,472	109,920

An internal valuation of plant and machinery was performed by the Directors as at 30 April 2018 based on the asset's forecasted discounted future cash flow. The future cash flow model assumes that the historic generation levels recorded by the asset over its life will continue at the same rate and that the current power price agreement and renewables credits available will continue with expected inflationary increases. Expenditure patterns are assumed to be consistent with expected inflationary increases and with expected maintenance works taken into account. The discount rate is assumed to be the minimum rate of return that the Group expects on similar investments.

External valuations are performed with sufficient frequency to ensure that the carrying value does not differ materially from the fair value at the end of the reporting period. The previous external valuation was performed as at 30 April 2013 by BDO LLP.

10 Debtors

Due within one year	2018 £	2017 £
Trade debtors	13,901	-
Amounts owed by group undertakings	96,242	59,593
Other debtors	12	76
	110,155	59,669

11 Cash and cash equivalents

	2018 £	2017 £
Cash at bank	25,000	5,000

12 Creditors

	2018 £	2017 £
Due within one year		
Accrued expenses	8,608	9,845

13 Deferred tax

	Deferred tax
	£
At 1 May 2017	29,112
Credited to the profit and loss account	816
Credited to other comprehensive income	(13,774)
At 30 April 2018	16,154

Analysis of deferred tax

	2018	2017
	£	£
Accelerated capital allowances	16,154	29,112

14 Capital and reserves

Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Revaluation reserve
Where tangible fixed assets are revalued the cumulative increase in the fair value of the property at the date of revaluation in excess of any previous impairment losses is recognised in the revaluation reserve.

15 Obligations under leases

Operating leases
The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	7,174	7,033
Later than one year and not later than five years	30,159	29,567
Later than five years	1,423,392	1,431,157
	1,460,725	1,467,757

The amount of non-cancellable operating lease payments recognised as an expense during the year was £8,312 (2017: £7,033).

16 Related party transactions

The Company has taken advantage of the exemptions contained in FRS 102.33 and has not disclosed transactions or balances with wholly owned subsidiaries which form part of the Group.

17 Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

• Revalued asset valuation
An internal valuation of plant and machinery was performed by the Directors as at 30 April 2018 based on the asset's forecasted discounted future cash flow. The future cash flow model assumes that the historic generation levels recorded by the asset over its life will continue at the same rate and that the current power price agreement and renewables credits available will continue with expected inflationary increases. Expenditure patterns are assumed to be consistent with expected inflationary increases and with expected maintenance works taken into account. The discount rate is assumed to be the minimum rate of return that the Group expects on similar investments. See Note 9 for the carrying value of the revalued assets at 30 April 2018.

External valuations are performed with sufficient frequency to ensure that the carrying value does not differ materially from the fair value at the end of the reporting period. The previous external valuation was performed as at 30 April 2013 by BDO LLP.

• Asset residual values
Management estimate that plant and machinery has a 24 year life with a residual value of 25% of the revalued amount. This reflects the residual value of the lease on the site, which are typically longer than 24 years, and plant and machinery at that point. No site has yet reached the end of its 24 year useful economic life and so this is a management estimate which would depend on many factors such as second hand values, obtaining subsequent planning permission on the site, power prices and turbine re-powering costs.

18 Ultimate parent undertaking and controlling party

The Company's ultimate parent undertaking is Ecotricity Group Limited, a Company incorporated in England and Wales. The ultimate controlling party of the Company is D Vince, the only shareholder of Ecotricity Group Limited.

The immediate parent undertaking is Next Generation Wind Holdings Limited, a Company incorporated in England and Wales.

The largest Group in which the results of the Company are consolidated is that headed by Ecotricity Group Limited. No other financial statements include the results of the Company. Consolidated financial statements may be obtained from Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.