

Company Registration No. 06970666 (England and Wales)

PEEL HOLDINGS ENERGY (NO.3) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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COMPANIES HOUSE

PEEL HOLDINGS ENERGY (NO.3) LIMITED

COMPANY INFORMATION

Directors

John Whittaker
Neil Lees A.C.I.S.
Steven Underwood A.C.A.
Paul Wainscott A.C.I.S.

Secretary

Neil Lees A.C.I.S.

Company number

06970666

Registered office

Peel Dome
The Trafford Centre
Manchester
M17 8PL

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

Bankers

Barclays Bank plc

PEEL HOLDINGS ENERGY (NO.3) LIMITED

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PEEL HOLDINGS ENERGY (NO.3) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their annual report and audited financial statements for the year ended 31 March 2014.

The company has taken advantage of the exemption for small companies under Section 419(2) of the Companies Act 2006 from preparing a strategic report for the year ended 31 March 2014.

Principal activities

The principal activity of the company continues to be that of a holding company.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

Results and dividends

The results for the year are set out on page 5.

No dividend has been paid for the year (2013: £nil).

Directors

The following directors have held office since 1 April 2013:

John Whittaker

Neil Lees A.C.I.S.

Steven Underwood A.C.A.

Paul Wainscott A.C.I.S.

Auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

PEEL HOLDINGS ENERGY (NO.3) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Statement of directors' responsibilities

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 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 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.

Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the board



Neil Lees A.C.I.S.

Secretary

26 September 2014

PEEL HOLDINGS ENERGY (NO.3) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PEEL HOLDINGS ENERGY (NO.3) LIMITED

We have audited the financial statements of Peel Holdings Energy (No.3) Limited for the year ended 31 March 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 13. 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 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 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 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.

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 31 March 2014 and of its loss for the year 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.

PEEL HOLDINGS ENERGY (NO.3) LIMITED

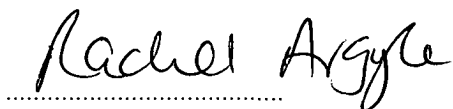
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PEEL HOLDINGS ENERGY (NO.3) LIMITED

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 from preparing the strategic report or in preparing the directors' report.



Rachel Argyle (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

26 September 2014

PEEL HOLDINGS ENERGY (NO.3) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Administrative expenses		(774,553)	(712,487)
Operating loss	2	(774,553)	(712,487)
Interest receivable and similar income	3	61,906	54,730
Interest payable and similar charges	4	(167,072)	(141,981)
Loss on ordinary activities before taxation		(879,719)	(799,738)
Tax on loss on ordinary activities	5	-	-
Loss for the year	10	(879,719)	(799,738)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

PEEL HOLDINGS ENERGY (NO.3) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Investments	6		1		1
Current assets					
Debtors	7	3,577,626		3,208,116	
Cash at bank and in hand		91,791		2,319	
		<u>3,669,417</u>		<u>3,210,435</u>	
Creditors: amounts falling due within one year	8	<u>(7,099,394)</u>		<u>(5,760,693)</u>	
Net current liabilities			<u>(3,429,977)</u>		<u>(2,550,258)</u>
Net liabilities			<u>(3,429,976)</u>		<u>(2,550,257)</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		<u>(3,429,977)</u>		<u>(2,550,258)</u>
Shareholders' deficit	11		<u>(3,429,976)</u>		<u>(2,550,257)</u>

Approved by the Board and authorised for issue on 26 September 2014



Neil Lees A.C.I.S.
Director

Company Registration No. 06970666

PEEL HOLDINGS ENERGY (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention and basis of preparation

The financial statements are prepared under the historical cost convention.

The directors have received confirmation that Peel Holdings Energy Projects (IOM) Limited ("Peel"), the company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. In considering the ability of Peel to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Peel's forecasts, the continuing availability of its facilities and its strategic and contingent plans.

Taking all these factors into account the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and accounts.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) "Cash Flow Statements" from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Law and Accounting Standards, which have been applied consistently during the current and the prior year.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Taxation

Corporation tax is provided at amounts expected to be paid 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 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

PEEL HOLDINGS ENERGY (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

(continued)

1.6 Related party disclosures

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the Peel Holdings Group Limited group of companies.

2 Operating loss

	2014 £	2013 £
Operating loss is stated after charging:		
Fees payable to the company's auditor for the audit of the company's annual accounts	7,000	3,000
Fees payable to the company's auditor for non audit services:		
Taxation compliance	<u>4,000</u>	<u>2,000</u>

3 Interest receivable and similar income

	2014 £	2013 £
On amounts receivable from group companies	<u>61,906</u>	<u>54,730</u>

4 Interest payable and similar charges

	2014 £	2013 £
On amounts payable to group companies	166,882	141,480
On bank loans and overdrafts	190	501
	<u>167,072</u>	<u>141,981</u>

PEEL HOLDINGS ENERGY (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

5	Taxation	2014	2013
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(879,719)	(799,738)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	(202,335)	(191,937)
	Effects of:		
	Non deductible expenses	418	1,131
	Tax losses carried forward	201,917	190,806
		202,335	191,937
	Current tax charge for the year	-	-

A deferred tax asset of £655,596 (2013: £555,005) comprising of tax losses carried forward has not been recognised as realisation of this asset is dependent on the availability of suitable taxable profits in future periods.

PEEL HOLDINGS ENERGY (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2013 & at 31 March 2014	1
Net book value	
At 31 March 2014	1
At 31 March 2013	1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Peel Energy Limited	England & Wales	Ordinary	100.00
 Peel Energy Limited	 Principal activity Development of renewable energy projects		

7 Debtors	2014 £	2013 £
Trade debtors	79,197	-
Amounts owed by parent and fellow subsidiary undertakings	3,489,486	3,201,219
Prepayments and accrued income	8,943	6,897
	<u>3,577,626</u>	<u>3,208,116</u>

PEEL HOLDINGS ENERGY (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

8	Creditors: amounts falling due within one year	2014	2013
		£	£
	Trade creditors	155,900	6,742
	Amounts owed to parent and fellow subsidiary undertakings	6,910,774	5,740,434
	Accruals and deferred income	32,720	13,517
		<u>7,099,394</u>	<u>5,760,693</u>
9	Share capital	2014	2013
		£	£
	Allotted, called up and fully paid		
	1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
10	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 April 2013		(2,550,258)
	Loss for the year		<u>(879,719)</u>
	Balance at 31 March 2014		<u><u>(3,429,977)</u></u>
11	Reconciliation of movements in shareholders' deficit	2014	2013
		£	£
	Loss for the financial year	(879,719)	(799,738)
	Opening shareholders' deficit	<u>(2,550,257)</u>	<u>(1,750,519)</u>
	Closing shareholders' deficit	<u><u>(3,429,976)</u></u>	<u><u>(2,550,257)</u></u>

12 Employees

There were no employees during the current or prior year apart from the directors.

No director received any remuneration for their services to the company (2013: £nil).

PEEL HOLDINGS ENERGY (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

13 Control

The ultimate holding company in the year ended 31 March 2014 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement Trust.

The largest group of companies, of which the company is a member, that produces consolidated accounts is Peel Holdings Group Limited, a company incorporated in the Isle of Man.

The smallest group of companies, of which the company is a member, that produces consolidated accounts, is Peel Holdings Land and Property Group Limited, a company incorporated in the Isle of Man.