

Registered number: 08653731

Booth Brothers Energy Limited

Directors' report and financial statements

For the year ended 29 February 2016

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Booth Brothers Energy Limited

Contents

	Page
Company information page	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

Booth Brothers Energy Limited

Company information

Directors	J Leigh OCS Services Limited
Company secretary	S Ludlow
Registered number	08653731
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

Booth Brothers Energy 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 a wholly owned subsidiary of a group of which the principal activities are that of construction and operation of an anaerobic digestion plant 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:

J Leigh
OCS Services 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 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.

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.

Booth Brothers Energy Limited

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

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.

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



J Leigh
Director

Booth Brothers Energy Limited

Independent auditors' report to the members of Booth Brothers Energy Limited

Report on the financial statements

Our opinion

In our opinion, Booth Brothers Energy 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 for 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 then 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.

Booth Brothers Energy Limited

Independent auditors' report to the members of Booth Brothers Energy 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

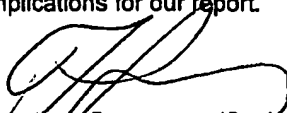
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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



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

28 November 2016

Booth Brothers Energy Limited

Profit and loss account For the year ended 29 February 2016

	Note	2016 £	2015 £
Turnover		357,115	170,821
Cost of sales		(203,619)	(151,697)
		<hr/>	<hr/>
Gross profit		153,496	19,124
Administrative expenses		(454,890)	(219,362)
Other operating income		-	72
		<hr/>	<hr/>
Operating loss	2	(301,394)	(200,166)
Interest receivable and similar income		-	784
Interest payable and similar charges		(331,867)	(329,885)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(633,261)	(529,267)
Tax on loss on ordinary activities	3	-	-
		<hr/>	<hr/>
Loss for the financial year	10	(633,261)	(529,267)
		<hr/> <hr/>	<hr/> <hr/>

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 8 to 12 form part of these financial statements.

Booth Brothers Energy Limited
Registered number: 08653731

Balance sheet
As at 29 February 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	4		2,824,937		2,960,450
Current assets					
Stocks	5	118,474		109,181	
Debtors	6	144,495		199,692	
Cash at bank and in hand		234,581		322,510	
		<u>497,550</u>		<u>631,383</u>	
Creditors: amounts falling due within one year	7	<u>(847,008)</u>		<u>(483,093)</u>	
Net current (liabilities)/assets			<u>(349,458)</u>		<u>148,290</u>
Total assets less current liabilities			<u>2,475,479</u>		<u>3,108,740</u>
Creditors: amounts falling due after more than one year	8		<u>(3,881,005)</u>		<u>(3,881,005)</u>
Net liabilities			<u>(1,405,526)</u>		<u>(772,265)</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		<u>(1,405,527)</u>		<u>(772,266)</u>
Total shareholders' deficit	11		<u>(1,405,526)</u>		<u>(772,265)</u>

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.


Leigh
 Director

The notes on pages 8 to 12 form part of these financial statements.

Booth Brothers Energy 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.

1.2 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.

1.3 Turnover

Turnover comprises income receivable from the energy generated during the year. Any uninvoiced income is accrued in the year in which it has been generated.

1.4 Tangible assets and depreciation

Plant and machinery represents the costs of construction of an aerobic digestion plant: civil/structural and electrical costs, grid connection, planning and professional fees are capitalised and depreciated at 4% per annum on a straight line basis. Costs of transformers, inverters and cabling are being depreciated at 10% per annum on a straight line basis.

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant and machinery	- 5% and 20% straight line
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1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.7 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.

Booth Brothers Energy Limited

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

1. Accounting policies (continued)

1.8 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.

1.9 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 £
Depreciation of tangible fixed assets:		
- owned by the company	174,673	85,850
Auditors' remuneration	3,730	1,756
Auditors' remuneration - financial statements preparation	620	500
Auditors remuneration - taxation compliance services	1,150	700
Operating lease charge	29,522	-

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	-	-

The company has no tax liability for the year and there are tax losses of approximately £1,127,095 (2015 - £413,956) 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.

Booth Brothers Energy Limited

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

4. Tangible assets

	Plant and machinery £
Cost	
At 1 March 2015	3,046,300
Additions	39,160
At 29 February 2016	<u>3,085,460</u>
Accumulated depreciation	
At 1 March 2015	85,850
Charge for the year	174,673
At 29 February 2016	<u>260,523</u>
Net book value	
At 29 February 2016	<u>2,824,937</u>
At 28 February 2015	<u>2,960,450</u>

5. Stocks

	2016 £	2015 £
Raw materials	<u>118,474</u>	<u>109,181</u>

6. Debtors

	2016 £	2015 £
Trade debtors	5,050	-
Amounts owed by group undertakings	5,513	5,513
VAT repayable	23,931	13,050
Prepayments and accrued income	110,001	181,129
	<u>144,495</u>	<u>199,692</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Booth Brothers Energy Limited

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

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	2	-
Trade creditors	113,719	92,169
Accruals and deferred income	733,287	390,924
	<u>847,008</u>	<u>483,093</u>

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

	2016 £	2015 £
Amounts owed to group undertakings	<u>3,881,005</u>	<u>3,881,005</u>

Included within amounts owed to group undertakings are unsecured loans with year end balances totalling £3,881,005 (2015 - £3,881,005). The loan bears interest at 8.5% (2015 - 8.5%) and is repayable after more than five years.

9. Called up share capital

	2016 £	2015 £
Allotted and fully paid		
90 (2015 - 90) Ordinary shares of £0.01 each	1	1
10 (2015 - nil) Deferred shares of £0.01 each	-	-
	<u>1</u>	<u>1</u>

10. Profit and loss account

	£
At 1 March 2015	(772,266)
Loss for the financial year	(633,261)
	<u>(1,405,527)</u>
At 29 February 2016	

11. Reconciliation of movements in shareholders' deficit

	2016 £	2015 £
Opening shareholders' deficit	(772,265)	(242,998)
Loss for the financial year	(633,261)	(529,267)
	<u>(1,405,526)</u>	<u>(772,265)</u>
Closing shareholders' deficit		

Booth Brothers Energy Limited

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

12. Related party transactions

Caspian Heat Limited

During the year ended 29 February 2016, a loan totalling £nil (2015 - £nil) was received from Caspian Heat Limited, a related party due to its shareholding in and significant influence over the entity. At the year end, an amount of £3,881,005 (2015 - £3,881,005) was outstanding and included within creditors. Interest of £330,789 (2015 - £329,885) was payable on the loan with £699,538 (2015 - £368,749) included in accruals at year end.

Octopus Investments Limited

During the year, monitoring fees of £43,947 (2015 - £35,560) were charged by Octopus Investments Limited, a related party due to its significant influence over the entity. At the end of the year, an amount of £31,562 (2015 - £31,273) was included within prepayments.

During the year, legal and professional fees of £8,248 (2015 - £48,235) were charged by Octopus Investments Limited, a related party due to its significant influence over the entity. At the end of the year, an amount of £nil (2015 - £40,844) was included within creditors.

Winnipeg Heat Limited

During the year ended 29 February 2016, a loan totalling £nil (2015 - £3,313) was given to Winnipeg Heat Limited, a related party due to it being an indirect parent of the entity. At the year end, an amount of £3,313 (2015 - £3,313) was outstanding and included within debtors.

13. Ultimate parent undertaking and controlling party

Caspian Heat Limited is the immediate parent company and Winnipeg Heat Limited the ultimate parent undertaking. The directors do not consider the company to have an ultimate controlling party, by virtue of a split holdings in its shares. The results of the company are not consolidated within any other company.