

Financial Statements

Blackcraig Windfarm Holdings Limited

For the year ended 31 March 2018

Registered number: SC502633



Blackcraig Windfarm Holdings Limited

Company information

Directors	C J Dean A S Fish S J Foy S Noble
Company secretary	S J Foy
Registered number	SC502633
Registered office	13 Queen's Road Aberdeen AB15 4YL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB

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Directors' report

For the year ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activity

The principal activity of the Company is that of a holding company.

Directors

The directors who served during the year were:

C J Dean
A S Fish
S J Foy
S Noble

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2017: £NIL)

Directors' responsibilities statement

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 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 judgments 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 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.

Directors' report (continued)

For the year ended 31 March 2018

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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 of Directors on 4 May 2018 and signed on its behalf.



S Noble
Director



Independent auditor's report to the shareholders of Blackcraig Windfarm Holdings Limited

Opinion

We have audited the financial statements of Blackcraig Windfarm Holdings Limited for the year ended 31 March 2018, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its result 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.



Independent auditor's report to the shareholders of Blackcraig Windfarm Holdings Limited (continued)

Conclusions relating to going concern

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

- 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



Independent auditor's report to the shareholders of Blackcraig Windfarm Holdings Limited (continued)

Matters on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.



Independent auditor's report to the shareholders of Blackcraig Windfarm Holdings Limited (continued)

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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditor's report.

Grant Thornton UK LLP

Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

4 May 2018

Blackcraig Windfarm Holdings Limited

Statement of income and retained earnings

For the year ended 31 March 2018

	Note	2018 £	2017 £
Interest receivable and similar income	5	2,604,253	2,494,773
Interest payable and expenses	6	(2,604,253)	(2,494,773)
Profit after tax		<u>-</u>	<u>-</u>

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

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

Balance sheet

As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	7	19,506,787	19,506,787
		<u>19,506,787</u>	<u>19,506,787</u>
Current assets			
Debtors: amounts falling due within one year	8	9,689,777	10,685,524
		<u>9,689,777</u>	<u>10,685,524</u>
Creditors: amounts falling due within one year	9	(29,196,563)	(30,192,310)
		<u>(29,196,563)</u>	<u>(30,192,310)</u>
Net current liabilities		<u>(19,506,786)</u>	<u>(19,506,786)</u>
Total assets less current liabilities		<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	11	1	1
		<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 4 May 2018.



S Noble
Director

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

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies

1.1 Company information

Blackcraig Windfarm Holdings Limited is incorporated in the United Kingdom, and its registered office is at 13 Queen's Road, Aberdeen, AB15 4YL.

The principal activity of the Company is that of a holding company.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland 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 judgment in applying the Company's accounting policies (see note 2).

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

The financial statements are presented in pounds Sterling (£).

Going concern

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

The following principal accounting policies have been applied:

1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies (continued)

1.5 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 from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitutes a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount the Company will receive for the asset if it were to be sold at the balance sheet date.

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.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.8 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies (continued)

1.9 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Management have determined that there are no areas subject to significant judgement within these financial statements.

3. Operating profit

The audit fee for the current and prior year has been borne by a fellow group company.

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017: £NIL).

5. Interest receivable and similar income

	2018 £	2017 £
Interest receivable from group undertakings	<u>2,604,253</u>	<u>2,494,773</u>

6. Interest payable and similar charges

	2018 £	2017 £
Interest payable to group undertakings	<u>2,604,253</u>	<u>2,494,773</u>

Notes to the financial statements

For the year ended 31 March 2018

7. Fixed asset investments

	2018 Investments in subsidiary companies £
Cost	
At 1 April 2017	19,506,787
At 31 March 2018	<u>19,506,787</u>
Net book value	
At 31 March 2018	<u>19,506,787</u>
At 31 March 2017	<u>19,506,787</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Blackcraig Wind Farm (Scotland) Limited	United Kingdom	Ordinary	100 %	Wind farm development

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit £
Blackcraig Wind Farm (Scotland) Limited	<u>449,064</u>	<u>448,935</u>

8. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	<u>9,689,777</u>	<u>10,685,524</u>

Notes to the financial statements

For the year ended 31 March 2018

9. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Amounts owed to group undertakings	29,196,562	30,192,309
Other creditors	1	1
	<u>29,196,563</u>	<u>30,192,310</u>

10. Financial instruments

	2018	2017
	£	£
Financial assets		
Financial assets measured at amortised cost	<u>9,689,777</u>	<u>10,685,524</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(29,196,563)</u>	<u>(30,192,310)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed by group undertakings and other creditors.

11. Share capital

	2018	2017
	£	£
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

12. Contingent liabilities

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 March 2018 or 31 March 2017.

Notes to the financial statements

For the year ended 31 March 2018

13. Related party transactions

	2018 Amounts due from £	2018 Amounts due to £	2017 Amounts due from £	2017 Amounts due to £
Blue Energy Whiteside Aquisition Limited	-	29,196,562	-	30,192,309
Blackcraig Wind Farm (Scotland) Limited	9,689,777	-	10,685,524	-

	2017 Income £	2017 Expenditure £	2016 Income £	2016 Expenditure £
Blue Energy Whiteside Acquisitions Limited	-	2,604,253	-	2,494,773
Blackcraig Wind Farm (Scotland) Limited	2,604,253	-	2,494,773	-

14. Controlling party

The immediate and ultimate parent undertaking is Blue Energy Whiteside Acquisition Limited by virtue of its ownership of the entire share capital of the company.