

Climpy WT Limited

Unaudited Financial Statements

Year Ended

30 September 2018

Company Number SC395321



Climpy WT Limited

Company Information

Directors

C J Walker
J Bagaria
A Bagaria

Company secretary

26GS (Secretaries) Limited

Registered number

SC395321

Registered office

Muirhall Farm
Auchengray
Carnwath
Lanark
South Lanarkshire
ML11 8LL

Accountants

BDO LLP
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

Climpy WT Limited

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Climpy WT Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Climpy WT Limited for the year ended 30 September 2018

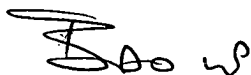
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Climpy WT Limited for the year ended 30 September 2018 which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Climpy WT Limited, as a body, in accordance with the terms of our engagement letter dated 1 December 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Climpy WT Limited and state those matters that we have agreed to state to the board of directors of Climpy WT Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Climpy WT Limited and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that Climpy WT Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Climpy WT Limited. You consider that Climpy WT Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Climpy WT Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



BDO LLP

Chartered accountants
Edinburgh
United Kingdom

6 JUNE 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Climpy WT Limited
Registered number: SC395321

**Statement of financial position
as at 30 September 2018**

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	5		1,396,118		1,531,198
			<u>1,396,118</u>		<u>1,531,198</u>
Current assets					
Debtors: amounts falling due within one year	6	886,167		853,047	
Cash at bank and in hand	7	373,493		187,518	
		<u>1,259,660</u>		<u>1,040,565</u>	
Creditors: amounts falling due within one year	8	(1,516,285)		(1,706,094)	
Net current liabilities			<u>(256,625)</u>		<u>(665,529)</u>
Total assets less current liabilities			<u>1,139,493</u>		<u>865,669</u>
Provisions for liabilities					
Deferred tax	9	(129,054)		(132,976)	
Other provisions	10	(18,266)		(17,676)	
			<u>(147,320)</u>		<u>(150,652)</u>
Net assets			<u><u>992,173</u></u>		<u><u>715,017</u></u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		992,171		715,015
			<u><u>992,173</u></u>		<u><u>715,017</u></u>

Climpy WT Limited
Registered number: SC395321

Statement of financial position (continued)
as at 30 September 2018

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3rd June 2019.



C J Walker
Director

The notes on pages 4 to 11 form part of these financial statements.

Climpy WT Limited

Notes to the financial statements for the year ended 30 September 2018

1. General information

Climpy WT Limited is a private company limited by shares and incorporated in Scotland under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company had net current liabilities of £256,625 (2017 - £665,529) and net assets of £992,173 (2017 - £715,017). The company is dependant on the support of certain related parties. The directors have satisfied themselves that this financial support will continue for the foreseeable future. The financial statements are therefore drawn up on the going concern basis and do not include any adjustment that would result if this support was withdrawn.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of energy supplied under contract during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised as power is generated.

2.4 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

Climpy WT Limited

Notes to the financial statements for the year ended 30 September 2018

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 5% straight line
Restoration asset	- 5% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

During the construction phase of the wind farm, no interest was capitalised.

2.7 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.

Climpy WT Limited

Notes to the financial statements for the year ended 30 September 2018

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 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.

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the directors' best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are measured at amortised cost. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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 statement of comprehensive income.

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 of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial

Climpy WT Limited

Notes to the financial statements for the year ended 30 September 2018

2. Accounting policies (continued)

2.11 Financial instruments (continued)

position 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.

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

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Restoration bond (see note 13)

The total cost of land restoration is recognised as a provision when the obligation arises. The amount provided represents the directors' best estimate of the present value of the future expected costs. Costs are charged to the provision as incurred and the unwinding of the discount is included in the interest charge for the year. An asset is created for an amount equivalent to the initial provision and depreciated according to the policy above.

4. Employees

The company has no employees other than the directors, who did not receive any remuneration for their services.

Climpy WT Limited

Notes to the financial statements for the year ended 30 September 2018

5. Tangible fixed assets

	Plant and machinery £	Restoration asset £	Total £
Cost			
At 1 October 2017	1,759,044	16,496	1,775,540
Disposals	(56,988)	-	(56,988)
At 30 September 2018	<u>1,702,056</u>	<u>16,496</u>	<u>1,718,552</u>
Depreciation			
At 1 October 2017	241,868	2,474	244,342
Charge for the year on owned assets	85,103	825	85,928
Disposals	(7,836)	-	(7,836)
At 30 September 2018	<u>319,135</u>	<u>3,299</u>	<u>322,434</u>
Net book value			
At 30 September 2018	<u>1,382,921</u>	<u>13,197</u>	<u>1,396,118</u>
At 30 September 2017	<u>1,517,176</u>	<u>14,022</u>	<u>1,531,198</u>

6. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	741,179	705,922
Trade debtors	19	8,186
Other debtors	28,304	28,416
Prepayments and accrued income	116,665	110,523
	<u>886,167</u>	<u>853,047</u>

Climpy WT Limited

Notes to the financial statements for the year ended 30 September 2018

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	373,493	187,518
	<u>373,493</u>	<u>187,518</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	9,120	8,988
Amounts owed to group undertakings	892,373	941,373
Amounts owed to other participating interests	532,698	724,698
Corporation tax	69,504	20,836
Other taxation and social security	2,668	2,295
Accruals and deferred income	9,922	7,904
	<u>1,516,285</u>	<u>1,706,094</u>

9. Deferred taxation

	2018 £
At beginning of year	132,976
Charged to profit or loss	3,922
At end of year	<u>129,054</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	129,054	132,976
	<u>129,054</u>	<u>132,976</u>

Climpy WT Limited

Notes to the financial statements for the year ended 30 September 2018

10. Provisions

	Restoration bond £
At 1 October 2017	17,676
Charged to profit or loss	590
At 30 September 2018	18,266

Restoration bond

The provision relates to the obligation to restore the land on which the wind farm has been constructed in accordance with the terms of the lease.

11. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2 Ordinary shares of £1.00 each	2	2

12. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

13. Contingent liabilities

The bank holds a cross guarantee for amounts owed by Heathland WF Limited, a fellow subsidiary. The contingent liability under this cross guarantee at the year end was £743,880 (2017 - £826,597).

The loan is secured by a bond and floating charge over the assets of the company, MH Energy LLP (the parent) and Heathland WF Limited, a fellow subsidiary.

Climpy WT Limited

Notes to the financial statements for the year ended 30 September 2018

14. Related party transactions

Included within amounts owed by group undertakings is an amount of £741,179 (2017 - £705,922) due from a fellow subsidiary. During the year the company paid costs of £nil (2017 - £156,792) on behalf of the subsidiary. During the year the company received a loan of £35,257 (2017 - £nil).

Included within amounts owed to group undertakings is an amount of £892,373 (2017 - £941,373) due to the parent entity. During the year the company repaid £49,000 (2017 - £437,000).

Included within amount owed to related parties is a loan of £532,698 (2017 - £724,698) due to a company under the control of two of the directors. During the year the company repaid £192,000 (2017 - £nil).

During the year the company paid £10,000 (2017 - £7,500) in management fees to a company under the control of one of the directors, and £1,250 (2017 - £nil) to the parent entity.

All loans are unsecured and interest free.

15. Parent undertaking and ultimate controlling party

The company's parent and ultimate controlling party is MH Energy LLP, an entity incorporated in Scotland.