

Registration number: 03117225

Ecotricity (Next Generation) Limited

Directors' Report and Financial Statements

for the Year Ended 30 April 2014

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Ecotricity (Next Generation) Limited
Directors' report and financial statements
Year Ended 30 April 2014

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Directors' Report

The directors present their directors' report and financial statements for the year ended 30 April 2014.

Directors of the company

The directors who held office during the year were as follows:

Dale Vince

Paul Wheatcroft (appointed 1 May 2013)

Principal activity

The principal activity of the company is consulting on the development of new sites and the operation and maintenance of existing wind parks.

Dividends

The directors do not recommend the payment of a dividend (2013 : £Nil).

Business review

The performance of the Company is considered to be satisfactory.

Political donations

The Company made no political donations or incurred any political expenditure during the year (2013 : £Nil).

Charitable donations

The Company made no charitable donations during the year (2013 : £Nil).

Disclosure of information to the auditor

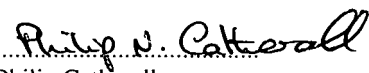
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which the auditor is unaware.

Directors' Report (continued)

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on ~~27th JAN 2015~~ and signed on its behalf by:


Philip Catherall
Company secretary

Unicorn House
7 Russell Street
Stroud
Gloucestershire
GL5 3AX

27th JANUARY 2015

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

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 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 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.

Independent Auditor's Report to the members of Ecotricity (Next Generation) Limited

We have audited the financial statements of Ecotricity (Next Generation) Limited for the year ended 30 April 2014, set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 3), 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web site at www.frc.org.uk/auditscopeukprivate

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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.

**Independent Auditor's Report to the members of Ecotricity (Next Generation) Limited
(continued)**

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 the requirement to prepare a strategic report.



James Ledward (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

Date: 30 January 2015

Profit and Loss Account
for the Year Ended 30 April 2014

	Note	2014 £	2013 £
Turnover	2	<u>420,000</u>	<u>411,000</u>
Gross profit		420,000	411,000
Administrative expenses		(5,513,129)	(6,109,721)
Other operating income		<u>211,890</u>	<u>146,021</u>
Operating loss	3	(4,881,239)	(5,552,700)
Other interest receivable and similar income	6	-	33
Interest payable and similar charges	7	<u>(2,526)</u>	<u>(9,697)</u>
Loss on ordinary activities before taxation		(4,883,765)	(5,562,364)
Tax on loss on ordinary activities	8	<u>8,696</u>	<u>(1,121)</u>
Loss for the financial year	16	<u><u>(4,875,069)</u></u>	<u><u>(5,563,485)</u></u>

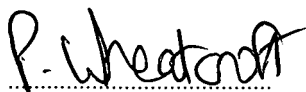
Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for either year other than the results above.

Balance Sheet
as at 30 April 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	9	3,804,406	4,125,031
Tangible assets	10	25,347	270,318
Investments	11	10,100	10,100
		<u>3,839,853</u>	<u>4,405,449</u>
Current assets			
Stocks	12	723,005	504,422
Debtors	13	22,566,751	21,434,572
Cash at bank and in hand		61,619	128,020
		<u>23,351,375</u>	<u>22,067,014</u>
Creditors: Amounts falling due within one year	14	<u>(45,306,242)</u>	<u>(39,712,408)</u>
Net current liabilities		<u>(21,954,867)</u>	<u>(17,645,394)</u>
Net liabilities		<u>(18,115,014)</u>	<u>(13,239,945)</u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	<u>(18,115,016)</u>	<u>(13,239,947)</u>
Shareholder deficit	16	<u>(18,115,014)</u>	<u>(13,239,945)</u>

These financial statements were approved by the Board on 27 May 2014 and were signed by:



Paul Wheatcroft
 Director

Registration number: 03117225

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

Notes to the Financial Statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and the historical cost accounting rules.

Under FRS1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of the Group headed by Ecotricity Group Limited, the Company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Ecotricity Group Limited, within which this Company is included, can be obtained from the address given in note 18.

Going concern

Notwithstanding net current liabilities of £21,954,867 and net liabilities of £18,115,014 the directors have prepared the financial statements on a going concern basis which is considered appropriate for the following reasons. The majority of current liabilities are owed to fellow Group companies and Group management have no intention of calling these debts in. The directors have reviewed the cash flow forecasts for the Group. In particular the directors note that the Group's trading and cash flow performance since the balance sheet date is in line with these forecasts. Taking account of reasonably possible changes in trading performance, the directors are satisfied that the Group will generate sufficient cash flows to allow the Group to meet its liabilities as they fall due for payment for at least the next 12 months.

Depreciation

Depreciation is provided to write off the revalued amount less the residual of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Asset class	Depreciation method and rate
Plant and machinery	4 years
Fixtures and fittings	3-4 years

Impairment of fixed assets

Intangible and tangible fixed assets are reviewed for impairment when changes in circumstances or events indicate that the carrying value of the fixed assets may not be recoverable. An impairment loss is recognised where the recoverable amount is less than the carrying value.

Notes to the Financial Statements

1 Accounting policies (continued)

Development wind assets

Included in intangible assets are development wind assets which represent the costs incurred in bringing individual wind park projects to the consented stage. Costs associated with reaching the consent stage include options over land rights, planning application costs and environmental impact studies. Expenditure on research into identifying suitable sites and other initial costs incurred before site selection are expensed.

Development expenditure is capitalised only after obtaining an option over land and where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to be exceeded by related future sales and adequate resources exist to enable the project to be completed.

Development wind assets are not depreciated until the asset is substantially complete and ready for its intended use. At the time the project is confirmed, the carrying value of the project is transferred to property, plant and equipment as assets under construction. Depreciation is over the expected useful life of the related operational asset. The asset is derecognised on disposal, or when no future economic benefits are expected from their use.

Deferred tax

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

2 Turnover

Turnover represents the value of recharges made to fellow Group companies in the year.

Notes to the Financial Statements

3 Operating loss

Operating loss is stated after charging:

	2014 £	2013 £
Depreciation of owned tangible fixed assets	35,975	66,939
Impairment of intangible fixed assets	908,638	1,803,676
Auditor remuneration for the audit of these financial statements	<u>957</u>	<u>936</u>

Amounts receivable by the Company's auditor and their associates in respect of services to the Company and its associates, 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.

The other income of £211,890 (2013 : £146,021) is income received in relation to transfers of projects to other group companies.

4 Particulars of employees

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

5 Director remuneration

The director's remuneration was borne by a fellow Group company in both years.

6 Other interest receivable and similar income

	2014 £	2013 £
Bank interest receivable	<u>-</u>	<u>33</u>

7 Interest payable and similar charges

	2014 £	2013 £
Interest on loan	<u>2,526</u>	<u>9,697</u>

Notes to the Financial Statements

8 Taxation

Tax on loss on ordinary activities

	2014 £	2013 £
Current tax		
Corporation tax charge	(11,787)	-
UK Corporation tax	(11,787)	-
Deferred tax		
Origination and reversal of timing differences	720	458
Deferred tax adjustment relating to previous years	-	(147)
Effect of changes in tax rates	2,371	810
Total deferred tax (note 13)	3,091	1,121
Total tax on loss on ordinary activities	(8,696)	1,121

Factors affecting current tax charge for the year

The tax on loss on ordinary activities for the year is higher (2013 : higher) than the standard rate of corporation tax in the UK of 22.84% (2013 - 23.92%).

The differences are reconciled below:

	2014 £	2013 £
Loss on ordinary activities before tax	(4,883,765)	(5,562,364)
Corporation tax at standard rate	(1,115,452)	(1,330,517)
Capital allowances in excess of depreciation	(6,878)	(476)
Expenses not deductible for tax purposes	18,052	8,671
Adjustment for prior periods	(11,787)	-
Adjustment in research and development tax credit	(38,874)	-
Utilisation of tax losses	1,142,937	1,318,340
Other differences	215	3,982
Total current tax	(11,787)	-

Notes to the Financial Statements

8 Taxation (continued)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

9 Intangible fixed assets

	Development wind assets £
Cost	
At 1 May 2013	4,125,031
Additions	1,014,211
Disposals	(426,198)
Impairment	<u>(908,638)</u>
At 30 April 2014	<u>3,804,406</u>
Net book value	
At 30 April 2014	<u>3,804,406</u>
At 30 April 2013	<u>4,125,031</u>

Notes to the Financial Statements

10 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 May 2013	373,854	25,287	399,141
Additions	24,000	-	24,000
Transfers to Group companies	(342,383)	-	(342,383)
At 30 April 2014	55,471	25,287	80,758
Depreciation			
At 1 May 2013	107,145	21,678	128,823
Charge for the year	33,913	2,062	35,975
Transfers to Group companies	(109,387)	-	(109,387)
At 30 April 2014	31,671	23,740	55,411
Net book value			
At 30 April 2014	23,800	1,547	25,347
At 30 April 2013	266,709	3,609	270,318

11 Investments held as fixed assets

Shares in group undertakings and participating interests

	Shares in Group undertakings £
Cost	
At 1 May 2013	10,100
At 30 April 2014	10,100
Net book value	
At 30 April 2014	10,100
At 30 April 2013	10,100

Notes to the Financial Statements

11 Investments held as fixed assets (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Next Generation Wind Holdings Limited	England	Ordinary	100%	Holding company
New Power Company Limited	England	Ordinary	100%	Holding company

12 Stocks

	2014 £	2013 £
Raw materials	723,005	504,422
	2014 £	2013 £
Trade debtors	6,492	11,648
Amounts owed by group undertakings	22,340,071	21,276,354
Deferred tax	15,092	18,183
Prepayments and accrued income	80,133	21,380
Corporation tax receivable	15,079	3,292
VAT receivable	109,884	103,715
	22,566,751	21,434,572

Notes to the Financial Statements

13 Debtors (continued)

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	Deferred tax £
At 1 May 2013	18,183
Charged to the profit and loss account (note 8)	<u>(3,091)</u>
At 30 April 2014	<u><u>15,092</u></u>

Analysis of deferred tax

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>15,092</u>	<u>18,183</u>

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 April 2014 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

14 Creditors: Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	21,766	756
Trade creditors	272,847	186,643
Amounts owed to group undertakings	44,905,973	39,451,108
Accruals and deferred income	<u>105,656</u>	<u>73,901</u>
	<u><u>45,306,242</u></u>	<u><u>39,712,408</u></u>

Notes to the Financial Statements

15 Called up share capital

Authorised share capital

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2

16 Reconciliation of movements in shareholder's deficit

	Share capital	Profit and loss account	Total
	£	£	£
At beginning of year	2	(13,239,947)	(13,239,945)
Loss for the year	-	(4,875,069)	(4,875,069)
At end of year	2	(18,115,016)	(18,115,014)

17 Immediate and ultimate parent undertakings

The Company's ultimate parent undertaking is Ecotricity Group Limited, a Company incorporated in England and Wales.

The immediate parent undertaking is Ecotricity Group 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 Group financial statements include the results of the Company. Consolidated financial statements of this Group may be obtained from Unicorn House, 7 Russell Street, Stroud, Gloucestershire, GL5 3AX.