

Registration number: 06028994

CW Renewable Energy Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2019

Burton Sweet
Chartered Accountants and Business Advisers
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol
BS48 1UR



CW Renewable Energy Limited

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CW Renewable Energy Limited

Company Information

Directors	Mr Denis Burn Mr John Pontin OBE Dr Wendy Stephenson
Registered office	30 Queen Charlotte Street Bristol BS1 4HJ
Accountants	Burton Sweet Chartered Accountants and Business Advisers The Clock Tower 5 Farleigh Court Old Weston Road Flax Bourton Bristol BS48 1UR

CW Renewable Energy Limited
(Registration number: 06028994)
Balance Sheet
31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	892	-
Investments	5	2,828,149	2,088,149
Other financial assets	6	3	3
		<u>2,829,044</u>	<u>2,088,152</u>
Current assets			
Debtors	7	282,097	1,153,785
Cash at bank and in hand		33,810	4,972
		<u>315,907</u>	<u>1,158,757</u>
Creditors: Amounts falling due within one year	8	<u>(1,476,616)</u>	<u>(1,385,365)</u>
Net current liabilities		<u>(1,160,709)</u>	<u>(226,608)</u>
Total assets less current liabilities		1,668,335	1,861,544
Creditors: Amounts falling due after more than one year	8	<u>(1,557,838)</u>	<u>(1,673,405)</u>
Net assets		<u>110,497</u>	<u>188,139</u>
Capital and reserves			
Called up share capital		1,320,000	1,320,000
Profit and loss account		<u>(1,209,503)</u>	<u>(1,131,861)</u>
Total equity		<u>110,497</u>	<u>188,139</u>

The notes on pages 4 to 14 form an integral part of these financial statements.

CW Renewable Energy Limited

(Registration number: 06028994)

Balance Sheet

31 March 2019

For the financial year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

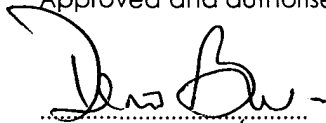
Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 17 December 2019 and signed on its behalf by:



Mr Denis Burn
Director

The notes on pages 4 to 14 form an integral part of these financial statements.

CW Renewable Energy Limited

Notes to the Financial Statements

Year Ended 31 March 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
30 Queen Charlotte Street
Bristol
BS1 4HJ
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

CW Renewable Energy Limited

Notes to the Financial Statements

Year Ended 31 March 2019

Judgements

In preparing these accounts, the directors had to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of material adjustment to the carrying amounts of assets and liabilities are:

Amounts owed by group companies - assessment of provision for non-recovery. The directors consider no provision for impairment is necessary, based on management's estimation of recovery. There is a risk that the provision will not match any amount that may ultimately become irrecoverable. The amount owed by group companies at 31 March 2019 is £281,837.

Investment in subsidiaries - assessment of risk of material adjustment. The directors consider that no revaluation in investment values is necessary, based on management's assessment of current circumstances and future plans. Total investments in the three subsidiaries, including an FCCD loan, amount to £2,828,149 at 31 March 2019. Please see note 5 for the performance and net assets of these subsidiaries.

Revenue recognition

Turnover comprises the investment income and management charges. Please also see the investment policy below for recognition. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

CW Renewable Energy Limited

Notes to the Financial Statements

Year Ended 31 March 2019

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Assets costing less than £200 are not capitalised.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	25% on cost

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

CW Renewable Energy Limited

Notes to the Financial Statements

Year Ended 31 March 2019

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

CW Renewable Energy Limited

Notes to the Financial Statements

Year Ended 31 March 2019

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 2 (2018 - 2).

CW Renewable Energy Limited
Notes to the Financial Statements
Year Ended 31 March 2019

4 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 April 2018	319	319
Additions	<u>1,189</u>	<u>1,189</u>
At 31 March 2019	<u>1,508</u>	<u>1,508</u>
Depreciation		
At 1 April 2018	319	319
Charge for the year	<u>297</u>	<u>297</u>
At 31 March 2019	<u>616</u>	<u>616</u>
Carrying amount		
At 31 March 2019	<u><u>892</u></u>	<u><u>892</u></u>

5 Investments

	2019 £	2018 £
Investments in subsidiaries	<u><u>2,828,149</u></u>	<u><u>2,088,149</u></u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

CW Renewable Energy Limited

Notes to the Financial Statements

Year Ended 31 March 2019

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
TCW Renewable Energy (India) Private Limited	A 53 Geetanjali Plot No 52 SECTOR 17 VASHI NAVI MUMBAI - 400 703 India	Ordinary	100%	100%
CW Renewable Energy (India) Private Limited	A 53 Geetanjali Plot No 52 SECTOR 17 VASHI NAVI MUMBAI - 400 703 India	Ordinary	100%	100%
CWRE Limited	30 Queen Charlotte Street Bristol BS1 4HJ United Kingdom	Ordinary	60.5%	19.8%

The principal activity of TCW Renewable Energy (India) Private Limited is To establish wind farms for electricity generation and to carry out the business of the supply of energy.

The principal activity of CW Renewable Energy (India) Private Limited is To establish wind farms for electricity generation and to carry out the business of the supply of energy.

The principal activity of CWRE Limited is to raise funds for investment in the purchase, development and operation of renewable energy assets.

The profit for the financial period of TCW Renewable Energy (India) Private Limited was £24,830 and the aggregate amount of capital and reserves at the end of the period was £533,355.

The profit for the financial period of CW Renewable Energy (India) Private Limited was £45,624 and the aggregate amount of capital and reserves at the end of the period was £(340,499).

CW Renewable Energy Limited

Notes to the Financial Statements

Year Ended 31 March 2019

Within the Company's investments of £2,088,149, £1,555,083 relate to the Indian subsidiaries and includes the development of wind farms and establishing a local renewable energy asset management business in India with seven employees and two offices.

The Company's strategy is to grow operating profits through the increase in activity in its asset management services. This is aligned with the growth strategy of CWRE Wind Power Private Limited to whom it provides its services. Accumulated cash from operations and existing debtors will be used to grow its windfarm footprint.

The asset management team (UK and India) are currently supporting and participating in a growth plan of 100MW in the next 1 to 2 years.

£1,474,972 of the above investment in subsidiary companies balance relates to the 100% holding in TCW Renewable Energy (India) Private Limited. £80,111 of the above investment balance relates to the 100% holding in CW Renewable Energy (India) Private Limited. £740,000 of the above investment balance relates to the 60.5% holding in CWRE Limited.

The remaining £533,065 represents capital invested in TCW Renewable Energy (India) Private Limited via a subscription of fully compulsorily convertible debentures (FCCDs).

The coupon (interest) rate on these FCCDs is currently 11%. The interest earned but not yet received on this investment is recognised within debtors.

The debentures are convertible into equity shares after 120 months from the date of allotment unless mutually agreed otherwise.

CW Renewable Energy Limited
Notes to the Financial Statements
Year Ended 31 March 2019

6 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 April 2018	<u>3</u>	<u>3</u>
At 31 March 2019	<u>3</u>	<u>3</u>
Carrying amount		
At 31 March 2019	<u>3</u>	<u>3</u>

7 Debtors

	Note	2019 £	2018 £
Amounts owed by group undertakings	9	281,837	365,369
Other debtors		<u>260</u>	<u>788,416</u>
Total current trade and other debtors		<u>282,097</u>	<u>1,153,785</u>

CW Renewable Energy Limited
Notes to the Financial Statements
Year Ended 31 March 2019

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings		21,500	7,000
Trade creditors		1,818	3,823
Amounts owed to group undertakings	9	1,137,266	1,042,790
Taxation and social security		638	7,183
Other creditors		315,394	324,569
		<u>1,476,616</u>	<u>1,385,365</u>
Due after one year			
Loans and borrowings		437,933	531,838
Other non-current financial liabilities		<u>1,119,905</u>	<u>1,141,567</u>
		<u>1,557,838</u>	<u>1,673,405</u>

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings		437,933	531,838
Other non-current financial liabilities		<u>1,119,905</u>	<u>1,141,567</u>
		<u>1,557,838</u>	<u>1,673,405</u>

CW Renewable Energy Limited

Notes to the Financial Statements

Year Ended 31 March 2019

9 Related party transactions

Summary of transactions with parent

The Converging World

At the year end there was a balance outstanding due to The Converging World of £2,257,171 (2018: £2,162,695). Interest charged on loans during the year amounted to £90,190 (2018: £88,276). Repayments of £Nil (2018: £4,500) were made against loans during the year. Net movements on the inter-group ledgers resulted in an increase in the balance owed to The Converging World of £4,286 (2018: increase £5,811).

Summary of transactions with subsidiaries

TCW Renewable Energy (India) Private Limited

At the year end the balance due from TCW Renewable Energy (India) Private Limited was £170,148 (2018: £365,370). Net interest earned on debentures in the year was £52,937 (2018: £48,297) an exchange rate movement of £nil (2018: £4,594 increased) decreased the balance due. Management fees of £1,169 (2018: £78,361) were charged in the year. Payments received in the year were £249,328 (2018: £5,223).

CWRE Limited

At the year-end the balance due from CWRE Limited is £96,963 (2018: £790,579). During the year, CWRE Limited withdrew additional loans of £43,000 (2018: £3,500) and repaid £80,768 (2018: £43,471) of the interest, fees and expenses it owed. Interest of £18,152 (2018: £41,624) was charged in the year. Fees of £66,000 (2018: £44,500) were charged and expenses of £nil (2018: £2,602) were charged during the year. As described in note 5, £740,000 of the outstanding loan balance owed from CWRE Limited was converted to share capital.

10 Parent and ultimate parent undertaking

The Converging World controls CW Renewable Energy Limited through a 60% shareholding in the company.

The company's immediate parent is The Converging World, incorporated in England & Wales.

The most senior parent entity producing publicly available financial statements is The Converging World. These financial statements are available upon request from Companies House and the Charity Commission.