

CARRON ENERGY LIMITED
Financial Statements
For the year ended 31 March 2019



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CARRON ENERGY LIMITED

COMPANY INFORMATION

For the year ended 31 March 2019

DIRECTORS

A D Fraser
P J Trussler
M Tucker
R M Williams

SECRETARY

K Paget

REGISTERED OFFICE

Fourth Floor
2 Kingsway
Cardiff
CF10 3FD
United Kingdom

COMPANY NUMBER

06937966 (England and Wales)

AUDITOR

Deloitte LLP
Statutory Auditor
Cardiff
United Kingdom

BANKERS

National Westminster Bank Plc

SOLICITORS

Gowling WLG UK LLP

CARRON ENERGY LIMITED

BALANCE SHEET

As at 31 March 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Investments	4	15,723	15,723
		<u>15,723</u>	<u>15,723</u>
Current assets			
Debtors	5	18	24
Cash at bank and in hand		187	234
		<u>205</u>	<u>258</u>
Creditors			
Amounts falling due within one year	6	(8)	(44)
Net current assets		<u>197</u>	<u>214</u>
Total assets less current liabilities		<u>15,920</u>	<u>15,937</u>
Net assets		<u>15,920</u>	<u>15,937</u>
Capital and reserves			
Profit and loss account		15,920	15,937
Total shareholders' funds		<u>15,920</u>	<u>15,937</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Carron Energy Limited (registered number: 06937966) were approved and authorised for issue by the Board of Directors on 12 December 2019. They were signed on its behalf by:



 M Tucker
 Director

CARRON ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Carron Energy Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom.

The financial statements have been prepared under the historical cost convention, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The functional currency of Carron Energy Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Basis of consolidation

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

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. This is based on the level of net current assets within the Company, specifically the level of cash held in comparison to creditors and expected future expenses. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

CARRON ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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 Company after deducting all of its liabilities.

Financial assets and liabilities

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Profit and Loss Account, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through the Profit and Loss Account. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

CARRON ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax assets and liabilities are not discounted.

Turnover

Carron Energy Limited is a holding company for a group of companies and therefore does not generate turnover or any related cost of sales. The turnover and the associated cost of sales are incurred within other group companies.

CARRON ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Profit and Loss Account.

2. Critical accounting judgements

In the application of the Company's accounting policies, the directors are required to make judgements estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management do not consider that there are any critical accounting judgements or key sources of estimation uncertainty that the directors have considered in the process of applying the Company's accounting policies and that could have a material effect on the amounts recognised in the financial statements.

3. Employees

	2019	2018
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	-	-

Directors are remunerated by a related company and not recharged to this Company.

CARRON ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

4. Fixed asset investments

Investments in subsidiaries

	Investments in subsidiaries
	£'000
Cost	
At 01 April 2018	19,080
At 31 March 2019	19,080
Provisions for impairment	
At 01 April 2018	3,357
At 31 March 2019	3,357
Carrying value at 31 March 2019	15,723
Carrying value at 31 March 2018	15,723

CARRON ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. Fixed asset investments (continued)

Investments in shares

Name of entity	Registered office	Nature of business	Class of shares	% of ownership 31.3.19	% of ownership 31.3.18
Apus Energy Limited *	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Trading	Ordinary	50.00%	50.00%
Cale Power Limited *	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%
Carron Energy Holdings Limited *	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%
Dafen Power Limited	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%
Dragon Generation Limited *	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%
Nevis Power Limited	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%
Usk Renewable Energy Limited	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%
Uskmouth Holding Company Limited *	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%
Welsh Power Group Limited	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Trading	Ordinary	100.00%	100.00%
WPG Energy Limited*	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%
Dragon Power Developments Limited	Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD, United Kingdom	Non-trading	Ordinary	100.00%	100.00%

*Investments in which Carron Energy Limited has indirect ownership.

5. Debtors

	2019 £'000	2018 £'000
Amounts owed by Group undertakings	18	7
Other debtors	-	17
	18	24

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

CARRON ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
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6. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	8	44
	8	44

7. Called-up share capital

Allotted, called-up and fully paid shares classified as equity

	2019	2018
	£	£
45 Ordinary shares at £1 each	45	45
	45	45

8. Audit Opinion

The Company has chosen to file filleted accounts without a Profit and Loss Account. Consequently, the Company is not required to file an auditor's report.

The auditors report on the accounts for the year ended 31 March 2019 was unqualified. The audit report was signed by David Hedditch (Senior Statutory Auditor) on behalf of Deloitte LLP .

9. Ultimate controlling party

There is no ultimate controlling party. The Company is owned by the Carron Energy Employee Ownership Trust for the benefit of all the employees.