

Registration number: 06937966

**CARRON ENERGY LIMITED**

**FILLETED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2018**



**CARRON ENERGY LIMITED**

**BALANCE SHEET  
AS AT 31 MARCH 2018**

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Tangible assets	6	-	-
Investments	7	15,723	15,848
		<u>15,723</u>	<u>15,848</u>
<b>Current assets</b>			
Debtors	8	24	247
Cash at bank and in hand	9	234	4
		<u>258</u>	<u>251</u>
<b>Creditors: amounts falling due within one year</b>	10	(44)	(14,003)
<b>Net current assets/(liabilities)</b>		<u>214</u>	<u>(13,752)</u>
<b>Total assets less current liabilities, being net assets</b>		<u>15,937</u>	<u>2,096</u>
<b>Capital and reserves</b>			
Called-up share capital	11	-	-
Profit and loss account	12	15,937	2,096
<b>Shareholder funds</b>		<u>15,937</u>	<u>2,096</u>

The filleted accounts are delivered 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 company has chosen not to file a director's report or a profit and loss account.

The filleted accounts of Carron Energy Limited (registered number 06937966) were approved and authorised for issue by the board and were signed on its behalf on 19 December 2018.

  
**M Tucker**  
Director

The notes on pages 3 to 10 form part of these financial statements.

**CARRON ENERGY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
<b>At 1 April 2016</b>	-	2,359	2,359
Loss for the financial year	-	(3)	(3)
<b>Total comprehensive expense</b>	-	(3)	(3)
Dividends paid on equity shares (note 4)	-	(260)	(260)
<b>At 31 March 2017</b>	-	2,096	2,096
Profit for the financial year	-	21,229	21,229
<b>Total comprehensive income</b>	-	23,325	23,325
Dividends paid on equity shares (note 4)	-	(130)	(130)
<b>Total comprehensive income for the year</b>	-	23,195	23,195
<b>Contributions by and distributions to owners</b>			
Contributions to Employee Ownership Trust (note 12)	-	(7,258)	(7,258)
<b>At 31 March 2018</b>	-	15,937	15,937

## **CARRON ENERGY LIMITED**

### **NOTES TO THE FILLETED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

#### **1. General information**

Carron Energy Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The filleted accounts have been prepared under the historical cost convention, modified to include certain items at fair value, 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 preparation of financial statements in compliance with 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).

Carron Energy Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments.

Carron Energy Limited group meets the definition of a small group and therefore taken advantage of the exemptions available to small groups not to prepare group accounts.

Carron Energy Limited has taken advantage of the small company exemption in relation to the preparation of a cash flow statement.

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

##### **2.2 Going concern**

The Company forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

##### **2.3 Revenue**

The revenue, all of which arises in the United Kingdom, is attributable to the activities of management services to the power generation industry.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue is attributable to the activities of management and engineering services to the power generation industry and is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

## **CARRON ENERGY LIMITED**

### **NOTES TO THE FILLETED ACCOUNTS (continued) FOR THE YEAR ENDED 31 MARCH 2018**

#### **2. Accounting policies (continued)**

##### **2.4 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:

Computer equipment	3 - 5 years
--------------------	-------------

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 profit and loss.

##### **2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.6 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.

##### **2.7 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.

##### **2.8 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 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 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 constitute 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 outright 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.

## **CARRON ENERGY LIMITED**

### **NOTES TO THE FILLETED ACCOUNTS (continued) FOR THE YEAR ENDED 31 MARCH 2018**

#### **2. Accounting policies (continued)**

##### **2.8 Financial instruments (continued)**

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 profit and loss.

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 that the company would 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.

##### **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 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### **2.11 Finance costs**

Finance costs are charged to the statement of profit and loss 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.

##### **2.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholder at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

## **CARRON ENERGY LIMITED**

### **NOTES TO THE FILLETED ACCOUNTS (continued) FOR THE YEAR ENDED 31 MARCH 2018**

#### **2.13 Interest income**

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

#### **2.14 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 profit and loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 balance sheet.

#### **2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit and loss, except that a change 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 balance sheet 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 balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

## CARRON ENERGY LIMITED

### NOTES TO THE FILLETED ACCOUNTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

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

In the application of the Company's accounting policies, which are described in note 2, 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.

#### 4. Dividends

	2018 £000	2017 £000
Interim dividend for the year ended 31 March 2018 of £2,889 (2017 - £2,889) per ordinary share	130	130
Final dividend for the year ended 31 March 2018 of £nil (2017 - £2,889) per ordinary share	-	130
	<u>130</u>	<u>260</u>

#### 5. Employees

There were no employees during the year (2017 - none).



**CARRON ENERGY LIMITED**

**NOTES TO THE FILLETED ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2018**

**6. Tangible fixed assets**

	<b>Computer equipment £'000</b>
<b>Cost</b>	
At 1 April 2017	5
Disposals	(5)
At 31 March 2018	<u>-</u>
<b>Depreciation</b>	
At 1 April 2017	5
Disposals	(5)
At 31 March 2018	<u>-</u>
<b>Net book value</b>	
At 31 March 2018 and 31 March 2017	<u><u>-</u></u>

**7. Fixed asset assessments**

	<b>Shares in subsidiary undertakings £'000</b>
<b>Cost</b>	
At 1 April 2017 and at 31 March 2018	<u>19,080</u>
<b>Impairment</b>	
At 1 April 2017	3,232
Impairment	<u>125</u>
At 31 March 2018	<u>3,357</u>
<b>Carrying value</b>	
At 31 March 2017	<u>15,848</u>
<b>Carrying value</b>	
At 31 March 2018	<u><u>15,723</u></u>

# CARRON ENERGY LIMITED

## NOTES TO THE FILLETED ACCOUNTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

### 7. Fixed asset investments (continued)

#### Investments

At the balance sheet date the company had investments in the following undertakings:

Name	Country of incorporation	Class of shares	Holding %	Principal activity
Apus Energy Limited*	United Kingdom	Ordinary	50	Trading
Cale Power Limited*	United Kingdom	Ordinary	100	Non-trading
Carron Energy Holdings Limited*	United Kingdom	Ordinary	100	Non-trading
Dafen Power Limited	United Kingdom	Ordinary	100	Non-trading
Dragon Generation Limited*	United Kingdom	Ordinary	100	Non-trading
Dragon Power Developments Limited	United Kingdom	Ordinary	100	Non-trading
Nevis Power Limited	United Kingdom	Ordinary	100	Non-trading
Usk Renewable Energy Limited	United Kingdom	Ordinary	100	Non-trading
Uskmouth Holding Company Limited*	United Kingdom	Ordinary	100	Non-trading
Welsh Power Group Limited	United Kingdom	Ordinary	100	Trading
WPG Energy Limited*	United Kingdom	Ordinary	100	Non-trading

All of the investments listed above are registered at: Fourth Floor, 2 Kingsway, Cardiff, CF10 3FD.

\* Investments in which Carron Energy Limited has indirect ownership.

### 8. Debtors

	2018 £'000	2017 £'000
Amounts owed by Group undertakings	7	45
Other debtors and VAT receivable	17	202
	<u>24</u>	<u>247</u>

Amounts owed by Group undertakings accrue no interest and are repayable on demand.

### 9. Cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	<u>234</u>	<u>4</u>

# CARRON ENERGY LIMITED

## NOTES TO THE FILLETED ACCOUNTS (continued) FOR THE YEAR ENDED 31 MARCH 2018

### 10. Creditors: Amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	44	-
Amounts owed to Group undertakings	-	14,003
	<u>44</u>	<u>14,003</u>

Amounts owed to Group undertakings accrue no interest and are repayable on demand.

### 11. Share capital

	2018 £	2017 £
<b>Shares classified as equity</b>		
<b>Allotted, called-up and fully paid</b>		
45 Ordinary shares of £1	<u>45</u>	<u>45</u>

### 12. Reserves

#### Profit and loss account

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the re-measurement of investment properties, net of dividends paid and other adjustments.

Other adjustments include a contribution of £7,258,000 to CEL Trustee Limited, the Employee Ownership Trust that owns the Company.

### 13. Subsequent events

There are no subsequent events after the reporting date which require disclosure.

### 14. Controlling party

The directors believe there is no ultimate controlling party. The company is owned by Carron Energy Employee Ownership Trust for the benefit of all the employees.

### 15. Auditor's information

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 auditor's report on the financial statements for the year ended 31 March 2018 was unqualified.

The audit report was signed by David Hedditch (Senior Statutory Auditor) on behalf of Deloitte LLP.