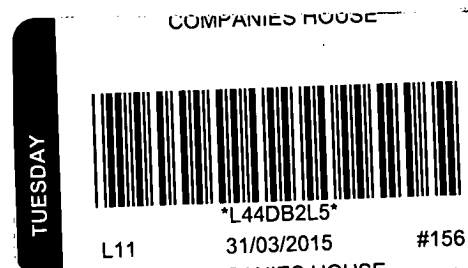


Company Registration No. 07426533 (England and Wales)

ABBAY POWER GENERATION LIMITED

ANNUAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2014



ABBAY POWER GENERATION LIMITED

COMPANY INFORMATION

Directors

R J B Duce
B D Foord
N Van Der Borgh
A J C Duce
J D Foord

Secretary

P Ellis

Company number

07426533

Registered office

Devonshire House
1 Devonshire Street
London
W1W 5DR

Auditors

Citroen Wells
Devonshire House
1 Devonshire Street
London
W1W 5DR

Business address

Rock House
Great Casterton Road
Stamford
Lincs
PE9 2YQ

Bankers

Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

ABBHEY POWER GENERATION LIMITED

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ABBEEY POWER GENERATION LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 JUNE 2014

The directors present their Strategic Report for the period ended 30 June 2014.

Review of the business

The company has incurred a loss for the period of £81,819 after including a charge for interest payable of £142,016. The company derives all its income from the supply of electricity to the National Grid under a STOR (Short Term Operating Reserve) contract but the demand for supply was not as high as the directors had hoped during the period.

The directors believe that as the electricity sector comes under increasing stress due to the unreliability of solar and wind power and due to the de-commissioning of legacy generation capacity, there will be increased utilisation calls made on the company that will lead to increased profitability.

The company continues to perform in line with its plans and the directors look forward to continued success in future years.

The company's key financial performance indicators are that of turnover, gross profit and net loss after taxation.

The key financial performance indicators for the last three periods are as follows:-

	15 month period to 30 June 2014	Year ended 25 March 2013	17 month period to 25 March 2012
	£	£	£
Turnover	391,335	312,065	38,295
Gross profit	376,118	284,969	18,622
Net loss after taxation	(81,819)	(90,197)	(72,864)

Principal risks and uncertainties

The company's principal operating activity is its STOR project on which it has secured a 15 year contract with the National Grid of which approximately 10 years remain at the period end. The business model is based on the minimum amounts receivable under this contract.

The major business risk is the inability to be available to the National Grid as and when required. The directors seek to minimise this risk by maintaining all plant and machinery to the highest possible standards and test the operational capability on a regular basis.

The company's principal financial investments comprise cash and loans. Other financial assets and liabilities, such as trade creditors and debtors, arise directly from the company's operating activities.

ABBAY POWER GENERATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2014

The main risks associated with the company's financial assets and liabilities are set out below:-

Interest rate risk

Loans are entered into at fixed interest rates.

Credit risk

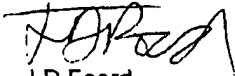
The company minimises its credit risk through clearly defined terms of business with its suppliers and credit customers.

The company aims to mitigate liquidity risk by managing cash generated by its operations.

Future developments

The directors aim to continue the principal activity undertaken by the company.

Approved by the board and signed on its behalf by:



J D Foord

Director

31 March 2015

ABBEEY POWER GENERATION LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2014

The directors present their report and financial statements for the period ended 30 June 2014.

The company changed its financial year end from 25 March to 30 June and the financial statements now presented cover the period from 26 March 2013 to 30 June 2014.

Going concern

The directors have performed an assessment of the company's ability to continue trading as a going concern, by reference to trading forecasts and financing requirements for a period of 12 months from the approval of these financial statements. The directors are satisfied that the going concern basis of preparation for these financial statements is appropriate.

Results and dividends

The results for the period are set out on page 7.

The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 26 March 2013:

R J B Duce
B D Foord
N Van Der Borgh
A J C Duce
J D Foord

Auditors

The auditors, Citroen Wells, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom 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 then 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;
- 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.

ABBEEY POWER GENERATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



J D Foord
Director

31 March 2015

ABBEEY POWER GENERATION LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABBEEY POWER GENERATION LIMITED

We have audited the financial statements of Abbey Power Generation Limited for the period ended 30 June 2014 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 June 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom 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 Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

ABBHEY POWER GENERATION LIMITED

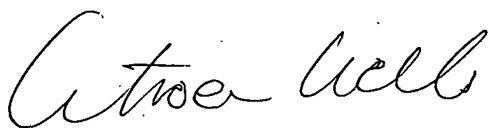
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ABBHEY POWER GENERATION LIMITED

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.



Stephen Simou FCA (Senior Statutory Auditor)
for and on behalf of Citroen Wells

31 March 2015

Chartered Accountants
Statutory Auditor

Devonshire House
1 Devonshire Street
London
W1W 5DR

ABBEY POWER GENERATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2014

		Period ended 30 June 2014 £	Year ended 25 March 2013 £
	Notes		
Turnover	2	391,335	312,065
Cost of sales		(15,217)	(27,096)
Gross profit		<u>376,118</u>	<u>284,969</u>
Administrative expenses		(315,921)	(196,610)
Operating profit	3	<u>60,197</u>	<u>88,359</u>
Interest payable and similar charges	4	(142,016)	(178,556)
Loss on ordinary activities before taxation		<u>(81,819)</u>	<u>(90,197)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the period	10	<u><u>(81,819)</u></u>	<u><u>(90,197)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

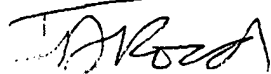
ABBEEY POWER GENERATION LIMITED

BALANCE SHEET

AS AT 30 JUNE 2014

	Notes	As at 30 June 2014		As at 25 March 2013	
		£	£	£	£
Fixed assets					
Tangible assets	6		2,248,112		2,404,890
Current assets					
Debtors	7	91,042		109,174	
Cash at bank and in hand		1,823		2,476	
		<u>92,865</u>		<u>111,650</u>	
Creditors: amounts falling due within one year	8	<u>(2,535,857)</u>		<u>(2,629,601)</u>	
Net current liabilities			<u>(2,442,992)</u>		<u>(2,517,951)</u>
Total assets less current liabilities			<u>(194,880)</u>		<u>(113,061)</u>
Capital and reserves					
Called up share capital	9	50,000		50,000	
Profit and loss account	10	(244,880)		(163,061)	
Shareholders' funds	11	<u>(194,880)</u>		<u>(113,061)</u>	

Approved by the Board and authorised for issue on 31 March 2015



J D Foord
Director

Company Registration No. 07426533

ABBEEY POWER GENERATION LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

		Period ended 30 June 2014	Year ended 25 March 2013
	£	£	£
Net cash inflow from operating activities		113,238	1,453,264
Returns on investments and servicing of finance			
Interest paid	(142,016)	(101,955)	
Net cash outflow for returns on investments and servicing of finance		(142,016)	(101,955)
Capital expenditure			
Payments to acquire tangible assets	-	(17,727)	
Receipts from sales of tangible assets	28,125	-	
Net cash inflow/(outflow) for capital expenditure		28,125	(17,727)
Net cash (outflow)/inflow before management of liquid resources and financing		(653)	1,333,582
Financing			
Issue of ordinary share capital	-	(50,000)	
Repayment of long term bank loan	-	(678,670)	
Capital element of hire purchase contracts	-	(581,054)	
Net cash outflow from financing		-	(1,259,724)
(Decrease)/increase in cash in the period		(653)	23,858

ABBEEY POWER GENERATION LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2014

1 Reconciliation of operating profit to net cash outflow from operating activities	2014	2013
	£	£
Operating profit	60,197	88,359
Depreciation of tangible assets	128,653	99,810
Decrease/(increase) in debtors	18,132	(7,765)
(Decrease)/Increase in creditors within one year	(93,744)	1,272,860
Net cash inflow from operating activities	113,238	1,453,264

2 Analysis of net funds	26 March 2013	Cash flow	Other non-cash changes	30 June 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	2,476	(653)	-	1,823
Bank deposits	-	-	-	-
Net funds	2,476	(653)	-	1,823

3 Reconciliation of net cash flow to movement in net funds	2014	2013
	£	£
(Decrease)/increase in cash in the period	(653)	23,858
Cash outflow from decrease in debt	-	1,309,724
Movement in net funds in the period	(653)	1,333,582
Opening net funds/(debt)	2,476	(1,331,106)
Closing net funds	1,823	2,476

ABBEY POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis notwithstanding the excess of liabilities over assets. Because of the forbearance of the company's creditors, the directors are confident that the company will be able to continue its business activities in the foreseeable future.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	Over the life of the lease
Plant and machinery	Straight line between 4 -15 years

1.3 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.5 Comparative figures

The comparative financial information presented is for the 12 month period to 25 March 2013.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance.

3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	128,653	99,810
Operating lease rentals	33,821	-
Fees payable to the company's auditor for the audit of the company's annual accounts	7,000	7,000
	<u>169,474</u>	<u>106,810</u>

ABBEEY POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2014

4	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	-	34,584
	On other loans wholly repayable within five years	142,016	101,955
	Lease finance charges	-	42,017
		<u>142,016</u>	<u>178,556</u>
5	Taxation	2014	2013
		£	£
	Total current tax	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	<u>(81,819)</u>	<u>(90,197)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 24.00%)	<u>(16,364)</u>	<u>(21,647)</u>
	Effects of:		
	Non deductible expenses	237	720
	Depreciation add back	25,731	23,954
	Capital allowances	(9,604)	(11,327)
	Other tax adjustments	-	8,300
		<u>16,364</u>	<u>21,647</u>
	Current tax charge for the period	<u>-</u>	<u>-</u>

The company has estimated losses of £ 180,000 (2013 - £ 180,000) available to be carried forward for relief against future trading profits.

No deferred tax asset has been recognised in respect of tax losses that may be available to the company because the recognition criteria under FRS 19 have not been satisfied.

ABBEEY POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2014

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 26 March 2013	959,716	1,596,913	2,556,629
Disposals	-	(28,125)	(28,125)
At 30 June 2014	959,716	1,568,788	2,528,504
Depreciation			
At 26 March 2013	80,299	71,440	151,739
Charge for the period	58,519	70,134	128,653
At 30 June 2014	138,818	141,574	280,392
Net book value			
At 30 June 2014	820,898	1,427,214	2,248,112
At 25 March 2013	879,417	1,525,473	2,404,890

7 Debtors

	2014 £	2013 £
Trade debtors	79	28,497
Other debtors	47,918	37,951
Prepayments and accrued income	43,045	42,726
	91,042	109,174

8 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	24,776	35,439
Amounts owed to parent and fellow subsidiary undertakings	89,500	89,500
Taxes and social security costs	-	2,786
Other creditors	2,372,843	2,455,616
Accruals and deferred income	48,738	46,260
	2,535,857	2,629,601

ABBAY POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2014

9	Share capital	2014	2013
		£	£
	Allotted, called up and fully paid		
	50,000 Ordinary of £1 each	50,000	50,000
		<u> </u>	<u> </u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 26 March 2013	(163,061)
Loss for the period	(81,819)
	<u> </u>
Balance at 30 June 2014	(244,880)
	<u> </u>

11	Reconciliation of movements in shareholders' funds	2014	2013
		£	£
	Loss for the financial period	(81,819)	(90,197)
	Opening shareholders' funds	(113,061)	(22,864)
		<u> </u>	<u> </u>
	Closing shareholders' funds	(194,880)	(113,061)
		<u> </u>	<u> </u>

12 Contingent liabilities

The company has granted a fixed and floating charge over all of its assets as part security against a loan made by Royal Bank of Scotland to Abbey Power Solutions Limited ('APS'). APS is a subsidiary of Abbey Commercial Investments Limited (see note 17).

13 Financial commitments

At 30 June 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2015:

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
In over five years	14,000	14,000
	<u> </u>	<u> </u>

ABBAY POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2014

14 Directors' remuneration

The directors did not receive any form of remuneration in the period to 30 June 2014.

15 Employees

Number of employees

There were no employees during the period apart from the directors.

16 Control

The company's parent undertaking is Strategic Resources Limited. The ultimate controlling party throughout the period was one of the directors, Mr R. Duce.

17 Related party relationships and transactions

The company's directors are also directors and have an interest in Abbey Commercial Investments Limited ('ACI'). ACI has undertaken to financially support the company to enable it to continue its business activities.

At the period end, the company was indebted to ACI in the net aggregate amount of £2,372,843 (2013: £2,455,616). This amount is unsecured and repayable on demand. Interest has been charged during the period of £142,016 (2013: £101,955).

At the period end, the company was indebted to Strategic Resources Limited in the amount of £89,500 (2013: £89,500). This amount is unsecured, interest free and repayable on demand.