

Fraisthorpe (Holding) Limited

Annual Report and Financial Statements

for the 18 month period ended 20 March 2017

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Fraisthorpe (Holding) Limited

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Fraisthorpe (Holding) Limited

Company Information

Directors	PE Dias C Gaydon DR Goodwin PS Latham
Secretary	S Ludlow
Registered Office	6th Floor 33 Holborn London United Kingdom EC1N 2HT
Independent auditor	PricewaterhouseCoopers LLP Central Square South Orchard Street Newcastle Upon Tyne NE1 3AZ

Fraisthorpe (Holding) Limited

Directors' Report for the 18 Month Period Ended 20 March 2017

The directors present their report and the financial statements for the 18 month period ended 20 March 2017.

The Company prepares financial statements using FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" and has taken advantage of certain disclosure exemptions allowed under this standard.

Directors of the Company

The directors who served during the 18 month period were as follows:

KE Hogg	(appointed 21 September 2015, resigned 30 September 2016)
MS Evans	(appointed 21 September 2015, resigned 30 September 2016)
ML Kohn	(appointed 04 November 2015, resigned 09 February 2016)
P E Dias	(appointed 30 September 2016)
C Gaydon	(appointed 30 September 2016)
D R Goodwin	(appointed 30 September 2016)
P S Latham	(appointed 30 September 2016)

Principal activity

The principal activity of the Company in the 18 month period to 20 March 2017 was that of the holding of an investment in a wind farm, Fraisthorpe Wind Farm Limited.

Going Concern

The Company recorded a loss of £2,036,547 for the 18 month period to 20 March 2017. As at the 20 March 2017, the Company had a net current liability position of £32,611,459.

In making their assessment of going concern the directors have considered the intentions of Caicias Energy Limited to support the Company, the future projections of financial performance of its subsidiary Fraisthorpe Wind Farm Limited and events subsequent to the balance sheet date. The wind farm is currently trading at a profit and is projected to remain profitable over its useful life. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditor


Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small companies' exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on 19 June 2017 and signed on its behalf by:


.....
Mr Peter Dias
Director

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 18 month period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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 auditors' report to the members of Fraisthorpe (Holding) Limited

Report on the financial statements

Our opinion

In our opinion, Fraisthorpe (Holding) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 20 March 2017 and of its loss for the 18 month period (the "period") then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 20 March 2017;
- the Profit and Loss Account and Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

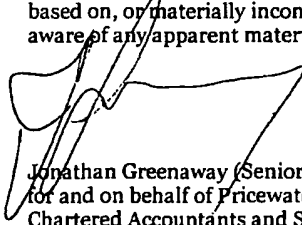
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
19 June 2017

Fraisthorpe (Holding) Limited

Profit and Loss Account for the 18 Month Period Ended 20 March 2017

	Note	18 month period ended 20 March 2017 £
Administrative expenses		<u>(6,066)</u>
Operating loss	2	(6,066)
Interest receivable	3	7,312
Interest payable and similar charges	4	<u>(2,037,793)</u>
Loss on ordinary activities before taxation		(2,036,547)
Tax on loss on ordinary activities	5	<u>-</u>
Loss for the financial period		<u>(2,036,547)</u>

Fraisthorpe (Holding) Limited

Statement of Comprehensive Income for the 18 Month Period Ended 20 March 2017

	18 month period ended 20 March 2017 £
Loss for the 18 month period	<u>(2,036,547)</u>
Total comprehensive loss for the 18 month period	<u>(2,036,547)</u>

Fraisthorpe (Holding) Limited

Balance Sheet as at 20 March 2017

		20 March 2017	
	Note	£	£
Non-Current Assets			
Investments	6		<u>30,574,913</u>
			30,574,913
Creditors: Amounts falling due within one year			
Trade and other creditors	7	(5,500)	
Loans from related parties	8	<u>(32,605,959)</u>	
		(32,611,459)	
Net current liabilities			<u>(32,611,459)</u>
Net liabilities			<u>(2,036,546)</u>
Capital and reserves			
Called up share capital	9		1
Profit and loss account			<u>(2,036,547)</u>
Total shareholders' deficit			<u>(2,036,546)</u>

Approved by the Board on 19 June 2017 and signed on its behalf by:


.....
Mr Peter Dias
Director

Fraisthorpe (Holding) Limited

Statement of Changes in Equity for the 18 Month Period Ended 20 March 2017

	Called up Share capital	Profit and loss account	Total Shareholders' deficit
	£	£	£
Share capital issued in period	<u>1</u>	<u>-</u>	<u>1</u>
Loss for the financial period	<u>-</u>	<u>(2,036,547)</u>	<u>(2,036,547)</u>
Total comprehensive loss	<u>-</u>	<u>(2,036,547)</u>	<u>(2,036,547)</u>
At 20 March 2017	<u>1</u>	<u>(2,036,547)</u>	<u>(2,036,547)</u>

Notes to the Financial Statements for the 18 Month Period Ended 20 March 2017

1. 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 periods presented, unless otherwise stated.

Basis of preparation

The financial statements of Fraisthorpe (Holding) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

The financial statements are denominated in Sterling as this is the functional currency of the Company.

Consolidation

These financial statements contain information about the Company as an individual Company and do not contain consolidated financial information as a parent undertaking of a group. 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.

Cash flow statement

The Company has taken advantage of the provision of FRS 102 exempting small entities from the need to prepare a cash flow statement.

Going concern

The Company recorded a loss of £2,036,547 for the 18 month period to 20 March 2017. As at 20 March 2017, the Company had a net current liability position of £32,611,459.

In making their assessment of going concern the directors have considered the intentions of Caicias Energy Limited to support the Company, the future projections of financial performance of its subsidiary Fraisthorpe Wind Farm Limited and events subsequent to the balance sheet date. The wind farm is currently trading at a profit and is projected to remain profitable over its useful life. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the financial statements.

Interest receivable and payable

Interest receivable is recognised on a time-proportion basis using the effective interest method.

Interest payable is recognised on a time-proportion basis using the effective interest rate method and expensed in the profit and loss account.

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the individual transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate ruling at the reporting date are recognised in the profit and loss account. Non-monetary assets and liabilities that are not carried at fair value are not subsequently restated and are carried at the rate of exchange at the date they are acquired.

Notes to the Financial Statements for the 18 Month Period Ended 20 March 2017

1. Accounting policies continued

Tax

Income tax for the period comprises deferred 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.

Income tax is recognised in the Company's profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Investments

Investments are stated at acquisition cost, less provision for impairment. Costs include amounts payable to third party for the acquisition of the investment. The costs also includes, where relevant:

(i) taxes payable to HMRC on the acquisition transaction.

Costs related to investments are held at cost where, in the opinion of the Directors, it is highly likely that future economic benefits arising from investment will exceed the carrying value of the investment

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. 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 income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its' parent or with members of the same group that are wholly owned.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Notes to the Financial Statements for the 18 Month Period Ended 20 March 2017**1. Accounting policies continued****Critical accounting estimates and judgements continued****Deferred tax assets:**

Deferred tax assets, including those arising from tax losses carried forward for the future tax periods, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered. The likelihood of such recoverability is dependent on the generation of sufficient future taxable profits which relevant deferred tax asset can be utilised to offset.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, the carrying amount of recognised deferred tax assets may require adjustment, resulting in a corresponding charge or credit to the profit and loss account.

2. Operating loss

The directors received no remuneration for their duties in respect of the Company. There are no employees in the Company.

Operating loss is stated after charging:

	18 month period ended 20 March 2017
	£
Audit of the financial statements	<u>1,000</u>

3. Interest receivable

	18 month period ended 20 March 2017
	£
Interest on loan to Fraisthorpe Wind Farm Limited	<u>7,312</u>

4. Interest payable and similar charges

	18 month period ended 20 March 2017
	£
Interest on loan from BayWa r.e. UK Limited	1,246,628
Interest on loan from Caicias Energy Limited	791,165
	<u>2,037,793</u>

Fraisthorpe (Holding) Limited

Notes to the Financial Statements for the 18 Month Period Ended 20 March 2017**5. Taxation**

Tax charged in the income statement

**18 month period
ended 20 March
2017
£**

Total tax charge

-

The charge shown above can be reconciled to the loss in the profit and loss account as follows:

The differences are reconciled below:

**18 month period
ended 20 March
2017
£**

Loss for the period before taxation

(2,036,547)

Tax on loss at standard UK rate of 20% (2015: 20.25%)

(407,309)

Effects of:

- Group relief not paid for
- Losses not recognised

357,062

50,247

Tax charge for the period

-**6. Investments****Fraisthorpe
Wind Farm
Limited
£**

Additions

30,574,913

At 20 March 2017

30,574,913**Impairment**

At 20 March 2017

-**Carrying amount**

At 20 March 2017

30,574,913

As at 20 March 2017 the company held the entire share capital of Fraisthorpe Wind Farm Limited comprising two shares with a nominal value of £1 each. The registered office of Fraisthorpe Wind Farm Limited is 6th Floor 33 Holborn, London, England, EC1N 2HT, its principal activity is the operation of a wind farm.

Fraisthorpe (Holding) Limited

Notes to the Financial Statements for the 18 Month Period Ended 20 March 2017**7. Trade and other creditors**

	20 March 2017
	£
Other creditors	<u>5,500</u>

8. Loans and borrowings

	20 March 2017
	£
Current loans and borrowings	
Loan from Caicias Energy Limited	25,788,702
Loan from Fraisthorpe Wind Farm Limited	<u>6,817,257</u>
	<u>32,605,959</u>

At the balance sheet date, the Company had an amount outstanding to Caicias Energy Limited of £25,788,702. Interest is payable on the facility at 7%. The facility is repayable on demand.

At the balance sheet date, the Company had an amount outstanding to Fraisthorpe Wind Farm Limited of £6,817,257. The facility does not accrue interest and is repayable on demand.

9. Called up share capital

Allotted, authorised, called up and fully paid shares

	20 March 2017	
	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

10. Financial instruments

	20 March 2017
	£
Carrying amount of financial liabilities	
Measured at amortised cost	<u>32,605,959</u>

Notes to the Financial Statements for the 18 Month Period Ended 20 March 2017

11. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 20 March 2017 it was a wholly owned subsidiary.

The Company has identified the following transactions which fall to be disclosed under the terms of FRS 102 "Related party transactions".

During the period, interest of £1,203,108 was charged by BayWa R.E. UK Limited, the Company's previous owner. At the year end, an amount of £nil was outstanding.

12. Ultimate parent undertaking and controlling party

The Company's immediate parent company is Caicias Energy Limited; incorporated in England, which owns 100% of the share capital of the company.

The Company's ultimate and most senior parent entity producing publically available financial statements is Fern Trading Limited, a Company incorporated in England. These financial statements are available upon request from 6th Floor 33 Holborn, London, England, EC1N 2HT. Fern Trading Limited is the smallest and largest group of accounts to consolidate these results.

13. Non adjusting events after the financial period

On 31 March 2017 the loan to Fraisthorpe (Holding) Limited from Caicias Energy Limited was increased by £6,817,063. Interest on this facility continues to be payable at 7% and is repayable on demand. This increase was used, on the same date, to settle £6,817,063 of the outstanding loan balance due to Fraisthorpe Wind Farm Limited.