

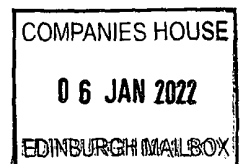
Bute Energy Limited

Unaudited Financial Statements

Period Ended

31 March 2021

Company Number 12474011



Bute Energy Limited

Contents

	Page
Accountants' report	
Balance sheet	2 - 3
Statement of changes in equity	4
Notes to the financial statements	5 - 11

Bute Energy Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited financial statements of Bute Energy Limited for the period ended 31 March 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Bute Energy Limited for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

It is your duty to ensure that Bute Energy Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Bute Energy Limited. You consider that Bute Energy Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Bute Energy Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

This report is made solely to the board of directors of Bute Energy Limited, as a body, in accordance with the terms of our engagement letter dated 14 December 2021. Our work has been undertaken solely to prepare for your approval the accounts of Bute Energy Limited and state those matters that we have agreed to state to the board of directors of Bute Energy Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bute Energy Limited and its board of directors as a body for our work or for this report.

BDO WJ

BDO LLP
Chartered Accountants
Edinburgh
United Kingdom
15 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Bute Energy Limited
Registered number:12474011

Balance sheet
As at 31 March 2021

	Note	2021 £
Fixed assets		
Intangible assets	5	10,182
Tangible assets	6	78,558
		<u>88,740</u>
Current assets		
Debtors: amounts falling due within one year	7	1,294,297
Cash at bank and in hand	8	117,966
		<u>1,412,263</u>
Creditors: amounts falling due within one year	9	(7,963,019)
Net current (liabilities)/assets		<u>(6,550,756)</u>
Total assets less current liabilities		<u>(6,462,016)</u>
Net (liabilities)/assets		<u><u>(6,462,016)</u></u>
Capital and reserves		
Called up share capital		1
Profit and loss account		(6,462,017)
		<u><u>(6,462,016)</u></u>

Bute Energy Limited
Registered number: 12474011

Balance sheet (continued)
As at 31 March 2021

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

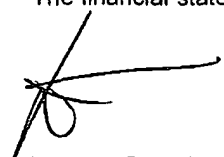
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared 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 financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
14TH DECEMBER 2021



Lawson Douglas Steele
Director

The notes on pages 5 to 11 form part of these financial statements.

Bute Energy Limited

Statement of changes in equity For the period ended 31 March 2021

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive income for the period			
Loss for the period	-	(6,462,017)	(6,462,017)
Total comprehensive income for the period	-	(6,462,017)	(6,462,017)
Shares issued during the period	1	-	1
At 31 March 2021	1	(6,462,017)	(6,462,016)

The notes on pages 5 to 11 form part of these financial statements.

Bute Energy Limited

Notes to the financial statements For the period ended 31 March 2021

1. General information

Bute Energy Limited is a private company registered in England under the Companies Act 2006. The principal activity is as described in the directors' report and the registered office is stated on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

During the period the company made a loss of £6,462,017, had net current liabilities of £6,550,756 and net liabilities of £6,462,016. The company is dependent upon the support of its parent company to continue operating and the board of directors have confirmed the support continues to be in place. The financial statements have been prepared on the going concern basis and do not include any adjustments that would be necessary should the support of the parent company be withdrawn.

2.3 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.4 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

2.5 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.6 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Bute Energy Limited

Notes to the financial statements For the period ended 31 March 2021

2. Accounting policies (continued)

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.8 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:

Leasehold property improvements	-	20%
Office equipment	-	20%
Computer equipment	-	20%

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 comprehensive income.

2.9 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.

2.10 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.

2.11 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.

Bute Energy Limited

Notes to the financial statements For the period ended 31 March 2021

2. Accounting policies (continued)

2.12 Financial instruments

The company only enters into basic financial instrument 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 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 comprehensive income.

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 of the recoverable amount, 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.

Bute Energy Limited

Notes to the financial statements For the period ended 31 March 2021

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

In preparing these financial statements, the director has made the following judgements:

- Determine whether there are indicators of impairment of the tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 10)
- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Employees

The average monthly number of employees, including directors, during the period was 14.

5. Intangible assets

	Patents £
Cost	
Additions	10,530
At 31 March 2021	10,530
Amortisation	
Charge for the period on owned assets	348
At 31 March 2021	348
Net book value	
At 31 March 2021	10,182

Bute Energy Limited

Notes to the financial statements For the period ended 31 March 2021

6. Tangible fixed assets

	Leasehold property improvements £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
Additions	1,831	38,481	46,425	86,737
At 31 March 2021	1,831	38,481	46,425	86,737
Depreciation				
Charge for the period on owned assets	212	3,898	4,069	8,179
At 31 March 2021	212	3,898	4,069	8,179
Net book value				
At 31 March 2021	1,619	34,583	42,356	78,558

7. Debtors

	2021 £
Amounts owed by group undertakings	682,005
Other debtors	608,741
Prepayments and accrued income	3,551
	<u>1,294,297</u>

8. Cash and cash equivalents

	2021 £
Cash at bank and in hand	<u>117,966</u>

Bute Energy Limited

Notes to the financial statements For the period ended 31 March 2021

9. Creditors: Amounts falling due within one year

	2021 £
Trade creditors	237,448
Amounts owed to group undertakings	7,381,297
Other taxation and social security	63,130
Other creditors	68,103
Accruals and deferred income	213,041
	<u>7,963,019</u>

10. Share capital

	2021 £
Allotted, called up and fully paid	
1 Ordinary Shares of £1.00	<u>1</u>

On incorporation, 1 share was issued at par.

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,851. Contributions totalling £9,925 were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

Included within amounts owed by group undertakings is loan and interest of £681,992 due from Bute Energy (Cambria) Limited, a subsidiary. Interest at 5.5% was charged on the loan amounting to £9,050.

Included within amounts owed to group undertakings is loan and interest of £7,381,297 due to Windward Enterprises Limited, the parent company. Interest at 5% was charged on the loan and amounted to £192,325. In the period a management charge of £1,080,647 was payable to Windward Enterprises Limited.

Included within other creditors is an amount of £52,462 due to Grayling Capital LLP, an entity connected by common control.

In the period a management charge of £1,335,079 was payable to RSCO 3750 Limited, a company connected by common control.

Bute Energy Limited

Notes to the financial statements For the period ended 31 March 2021

13. Controlling party

The company is controlled by Windward Enterprises Limited, the parent company and sole shareholder in Bute Energy Limited.

The ultimate controlling party is Oliver James Millican.