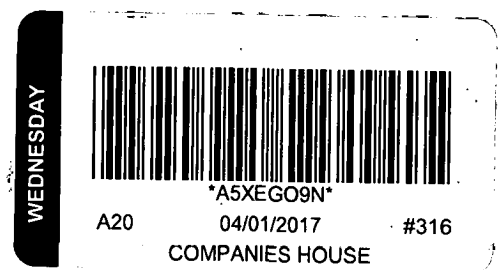


Wryde Croft Wind Farm Limited
Annual Report and Financial Statements
For the Period ended 30 June 2016

No. 05241893



Wryde Croft Wind Farm Limited
Annual Report and Financial Statements for the Period ended 30 June 2016
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Wryde Croft Wind Farm Limited
Company Information

Directors

Mr P Latham
Mr D Goodwin
Mr C Gaydon
Mr P Dias

Secretary

Mr D Hearth

Independent auditors

PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Registered office

Beaufort Court Egg Farm Lane
Off Station Road
Kings Langley
Hertfordshire
WD4 8LR

Bankers

Lloyds Bank
32 Gresham Street
London
EC2V 7HN

Norddeutsche Landesbank - London Branch
One Wood Street
London
EC2V 7WT

Registered number

05241893

Wryde Croft Wind Farm Limited
Directors' report
For the Period ended 30 June 2016

The Directors present their report and audited financial statements for the period 1 November 2015 to 30 June 2016 for Wryde Croft Wind Farm Limited.

Principal activities

The principal activity of Wryde Croft Wind Farm Limited (the "Company") is the generation and sale of wind generated electricity. The Directors do not anticipate any changes to the business activities in the forthcoming year.

Directors

The directors who were in office during the period and up to the date of signing the financial statements were as follows:

Mr P Latham.	appointed 17 August 2016
Mr D Goodwin	appointed 17 August 2016
Mr C Gaydon	appointed 17 August 2016
Mr P Dias	
Mr D Bird	resigned 17 August 2016

Company Secretary

Mr D Hearth served as the company secretary throughout the current and prior year.

Directors indemnities

The Company has made no qualifying third party indemnity provisions for the benefit of its directors.

Going concern

The financial position of the Company is set out in the Balance Sheet and the accompanying notes to the financial statements.

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. Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the notes to the financial statements.

Business review

The Company made a loss for the Period ended 30 June 2016 of £1,480,000 (year ended 31 October 2015: £658,000).

The directors do not anticipate any future developments.

Dividends

No interim dividends were paid during the period (year 2015: nil). The Directors do not recommend the payment of a final dividend (last year: nil).

Principal risks and uncertainties

The principal risks and uncertainties of the business relate to the level of wind speeds arising at the site during the period.

Financial risk management

Details regarding managements approach to financial risk management can be found in note 2.

Wryde Croft Wind Farm Limited
Directors' report (continued)
For the Period ended 30 June 2016

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

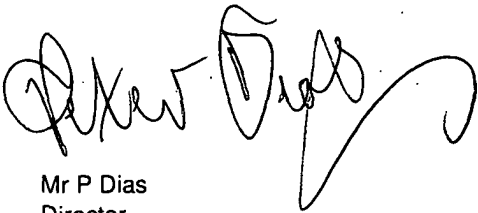
PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the small companies regime under Part 15 of the Companies Act 2006. The company has also taken advantage of the small companies exemption from preparing a Strategic Report.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf on 22/12/2016 by:

A handwritten signature in black ink, appearing to read 'P Dias', with a long, sweeping flourish extending to the right.

Mr P Dias
Director

Wryde Croft Wind Farm Limited
Statement of Directors' responsibilities
For the Period ended 30 June 2016

The directors are responsible for preparing the 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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. 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.

Wryde Croft Wind Farm Limited

Independent auditors' report to the members of Wryde Croft Wind Farm Limited Report on the financial statements

Our opinion

In our opinion, Wryde Croft Wind Farm Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the 8 month 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.

What we have audited

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

- the Balance Sheet as at 30 June 2016;
- 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).

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.

Wryde Croft Wind Farm Limited
Independent auditors' report
To the members of Wryde Croft Wind Farm Limited (continued)

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 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
December 2016

Wryde Croft Wind Farm Limited
Independent auditors' report
To the members of Wryde Croft Wind Farm Limited (continued)

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 take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne
22 December 2016

Wryde Croft Wind Farm Limited
Profit and Loss Account
For the Period ended 30 June 2016

	Notes	Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
Turnover	3	1,584	-
Cost of sales		(1,375)	(398)
Gross profit / (loss)		209	(398)
Administrative expenses		(100)	(35)
Operating profit / (loss)	4	109	(433)
Finance income	8	5	3
Finance costs	7	(2,002)	(228)
Loss on ordinary activities before taxation		(1,888)	(658)
Tax (charge) on profit on ordinary activities	9	(408)	-
Loss for the financial period / year		(2,296)	(658)

All transactions are derived from continuing operations.

Wryde Croft Wind Farm Limited
Statement of Comprehensive Income
For the Period ended 30 June 2016

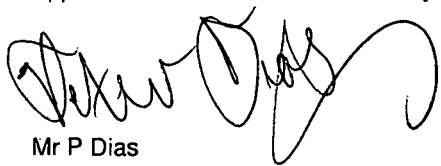
	Note	Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
Loss for the financial period / year		(2,296)	(658)
Fair value movement on derivative contracts	17	(1,796)	-
Other comprehensive expense for the period/year, net of tax		<u>(1,796)</u>	<u>-</u>
Total comprehensive expense for the period / year		<u><u>(4,092)</u></u>	<u><u>(658)</u></u>

Wryde Croft Wind Farm Limited
Balance Sheet
As at 30 June 2016

	Note	At 30 June 2016 £'000	At 31 October 2015 £'000
Fixed assets			
Tangible assets	10	39,911	30,019
		<u>39,911</u>	<u>30,019</u>
Current assets			
Debtors	11	2,407	5,668
Cash at bank and in hand		1,856	309
		<u>4,263</u>	<u>5,977</u>
Creditors: amounts falling due within one year	12	(25,577)	(36,534)
Net current liabilities		<u>(21,314)</u>	<u>(30,557)</u>
Total assets less current liabilities		<u>18,597</u>	<u>(538)</u>
Creditors: amounts falling due after more than one year	13	(22,136)	-
Provisions for liabilities	15	(1,309)	(218)
Net liabilities		<u>(4,848)</u>	<u>(756)</u>
Capital and reserves			
Called up share capital	18	-	-
Accumulated losses		(4,848)	(756)
Total shareholders' deficit		<u>(4,848)</u>	<u>(756)</u>

Registered Number 05241893

Approved and authorised for issue by the Board on 22/12/16 and signed on its behalf by:



Mr P Dias
Director

Wryde Croft Wind Farm Limited
Statement of Changes in Equity
For the Period ended 30 June 2016

	Called up Share Capital	Accumulated losses	Total shareholder's deficit
	£'000	£'000	£'000
At 1 November 2015	-	(756)	(756)
Loss for the financial period	-	(2,296)	(2,296)
Other Comprehensive Expense	-	(1,796)	(1,796)
At 30 June 2016	-	(4,848)	(4,848)

For the Year ended 31 October 2015

	Called up Share Capital	Accumulated losses	Total shareholder's deficit
	£'000	£'000	£'000
At 1 November 2014	-	(98)	(98)
Loss for the financial year	-	(658)	(658)
Other Comprehensive Income	-	-	-
At 31 October 2015	-	(756)	(756)

The notes on pages 11 to 18 are an integral part of these financial statements.

Wryde Croft Wind Farm Limited
Notes to the Financial Statements
For the Period ended 30 June 2016

1 Accounting policies

The particular accounting policies adopted by the directors are described below.

Statement of compliance

Wryde Croft Wind Farm Limited is a limited liability company incorporated in England. The Registered Office is Beaufort Court, Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR

The company's financial statements have been prepared in compliance with FRS 102.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 November 2014. An explanation of how this transition to FRS 102 has affected the reported financial position and financial performance is given in note 20.

The current accounting period was shortened from 31 October 2016 to 30 June 2016. Subsequent periods will also end on the same day and month in future years.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000 unless otherwise stated.

The principal accounting policies, which have been applied consistently throughout the period are set out below:

Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the rates of exchange ruling at that date. The translation differences are included in the profit and loss account.

Turnover

Turnover comprises amounts received and receivable in respect of the invoiced value of generated electricity, Renewable Obligation Certificates (ROCs) and accrued income. Turnover is recognised when it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duty.

Turnover on the generation of energy comprises the value of units supplied during the year. Units are determined by energy volumes recorded on the wind farm meters and market settlement systems.

Under the terms of its Power Purchase Agreements with customers, ROC's are immediately transferrable to the customer. Turnover in relation to ROCs is recognised in line with the generation of energy.

Accrued income represents the sales value of energy (and related ROCs) which is yet to be invoiced and is based upon the value of units supplied with respect to energy and quantity of units supplied with respect to ROCs.

There is only one operating activity and all turnover is generated within the United Kingdom.

Interest received is recognised on a time apportioned basis.

Tangible fixed assets

All tangible fixed assets are stated at cost net of accumulated depreciation and any accumulated provision for impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All repair and maintenance costs are recognised in the profit and loss account as incurred. The present value of the expected cost for the decommissioning of the asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

Fixed assets other than freehold land are depreciated over their useful economic lives on a straight-line basis at the following rates per annum:

Property, plant and equipment	5%
-------------------------------	----

Operating leases

Operating lease rentals are charged to the profit and loss account over the life of the lease.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted, or substantively enacted by the balance sheet date.

Interest payable

Interest payable on loans is charged to the profit and loss account on an accruals basis.

Decommissioning costs

Provisions for decommissioning are recognised in full when the related facilities are constructed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost. The carrying amount for the provision as at 30 June 2016 was £901k (2015: £218k).

1 Accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Going concern

The financial statements have been prepared on the going concern basis.

Notos Energy Limited, has confirmed to the directors of Wryde Croft Wind Farm Limited that it will not demand repayment for existing intercompany loans such that insolvency would result, for a period of at least twelve months from the date of signing of the Directors' Report and Financial Statements.

The directors have considered the company's cash flow forecast for the period to the end of June 2017 and are satisfied that the company, taking account of reasonably possible changes in trading performance and the current funds available, is able to operate for at least twelve months from the signing of the Director's Report and Financial Statements. For this reason the directors believe that the company has adequate resources to continue in operational existence and therefore it is appropriate that the company continues to adopt the going concern basis in preparing the Directors' Report and Financial Statements.

Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether there are any causes that would result in the derivatives that are used in hedging transactions to be ineffective. The gain or loss are recognised immediately in the other comprehensive income.

Decommissioning provision

The Company recognises a provision for decommissioning obligations associated with its wind farm. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

Capitalisation and depreciation of property, plant and equipment

The depreciation methods, estimated remaining useful lives and residual values are reviewed on an ongoing basis.

2 Financial risk management

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of a number of types of risk, the following are discussed below: interest rate risk and currency risk. Financial instruments affected by market risk include: loans and borrowings, deposits and derivative financial instruments.

The Company's risk management focuses on the major areas of credit risk and liquidity risk.

Interest rate risk

The Company's interest rate risk arises from long-term borrowings. The company's only long term debt incurs both a fixed and variable interest rate. The loan is exposed to the UK LIBOR rate and is therefore exposed to fluctuations in the LIBOR rate. This risk is partially mitigated through the use of an interest rate swap agreement.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The company does not have significant exposure in this respect.

Regulatory risk

Regulatory risk is the risk that a change in regulations and law that might affect an industry or a business. Renewable energy projects are dependent for their commercial viability on a suitable regulatory regime. There is a risk that governments introduce retrospective changes to the regime that is agreed at the time the project commenced. This however is unusual in the market and changes to the regulatory regime are more typically for future projects.

Wryde Croft Wind Farm Limited
Notes to the Financial Statements
For the Period ended 30 June 2016

2 Financial risk management (continued)

Energy resource risk

The energy resource risk is the risk that the amount of the renewable energy resource (eg. wind and solar radiation) that is available for a given project is lower than the amount that is expected in the financial model.

Management of capital

The primary objective of the Company's management of capital is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 30 June 2016.

Capital risk management

Capital held by the Company and managed centrally as part of Notos Energy Limited comprises share capital and reserves which can be found in the Balance Sheet on page 9.

3 Turnover

Area of activity:

Sale of electricity, including renewable incentives

Geographical area:

UK turnover

Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
1,584	-
<u>1,584</u>	<u>-</u>
1,584	-
<u>1,584</u>	<u>-</u>

4 Operating profit / (loss)

This is stated after charging/(crediting):

Depreciation

Auditors' remuneration - the audit of the company's annual financial statements

Operating lease rentals - land and buildings

Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
868	-
3	4
114	196

5 Directors Remuneration

No directors received any form of remuneration in lieu of their services to the company (year ended 31 October 2015: nil).

6 Employee information

The Company had no employees in the current period nor previous financial year.

7 Finance costs

Interest payable to related parties

Unwinding of discount on decommissioning provision

Bank loan interest payable

Debt issue costs written off

Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
1,423	228
4	-
478	-
97	-
<u>2,002</u>	<u>228</u>

8 Finance income

Bank interest receivable

Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
5	3
<u>5</u>	<u>3</u>

Wryde Croft Wind Farm Limited
Notes to the Financial Statements
For the Period ended 30 June 2016

9 Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
Current tax charge:		
UK corporation tax for the period / year at 20.00% (2015: 20.41%)	-	-
Total current tax credit	-	-
Deferred tax:		
Origination and reversal of timing differences	408	-
Total deferred tax charge in the Income statement	408	-
Other comprehensive income items:		
Total deferred tax credit in other comprehensive income	-	-
Total tax charge for the period/year	408	-

(b) Factors affecting the tax charge for the current period / prior year:

	Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
Loss on ordinary activities before taxation	(1,888)	(658)
Corporation tax for the period at 20.00% (2015:20.41%)	(378)	(134)
Effects of:		
Deferred tax on pre-trading losses not previously provided	(128)	-
Expenses not deductible for tax purposes	13	17
Effect of change in tax rates	(45)	-
Pre-trading losses not provided for	-	117
Effects of group relief	946	-
	408	-

On 26 October 2015, a reduction in the UK corporation tax rate from 20% to 18% was substantively enacted. The reduction is to take effect in two stages from 1 April 2017 (19%) and then from 1 April 2020 (18%). As a result, relevant deferred tax balances have been re-measured at the rate at which the majority of the deferred tax balance is expected to unwind.

This change has reduced the deferred tax asset at the balance sheet date by £nil.

In his Budget speech on 16 March 2016 the Chancellor of the Exchequer proposed that the above UK corporation tax rate of 18% effective from 1 April 2020 be further reduced to 17%. This change had not been substantively enacted at the balance sheet date and therefore is not recognised in these financial statements. If enacted, the change would reduce the deferred tax asset at the balance sheet by £nil.

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	Period ended 30 June 2016 £'000	Year ended 31 October 2015 £'000
Deferred tax assets / (liabilities)		
Short term timing differences	(408)	-
	(408)	-
Deferred tax assets / (liabilities)		£'000
At 1 November 2014		-
Deferred tax credit to income statement for the year		-
Deferred tax credit to other comprehensive income for the year		-
At 31 October 2015		-
At 1 November 2015		-
Deferred tax credit to income statement for the period		(408)
Deferred tax charge to other comprehensive income for the period		-
At 30 June 2016		(408)

A deferred tax asset of £323,000 (2015: £115,000) in relation to fixed asset timing differences has not been recognised due to the uncertainty of sufficient future profits against which they can be realised.

Wryde Croft Wind Farm Limited
Notes to the Financial Statements
For the Period ended 30 June 2016

10 Tangible assets

	Property, Plant and equipment	Total
Cost:	£'000	£'000
At 1 November 2015	30,019	30,019
Additions	10,760	10,760
At 30 June 2016	<u>40,779</u>	<u>40,779</u>
Depreciation:		
At 1 November 2015	-	-
Charge for the period	868	868
At 30 June 2016	<u>868</u>	<u>868</u>
Net book value:		
At 30 June 2016	<u>39,911</u>	<u>39,911</u>
At 31 October 2015	<u>30,019</u>	<u>30,019</u>

11 Debtors

	30 June 2016 £'000	31 October 2015 £'000
Trade debtors	783	-
Other debtors	439	-
Value added tax	-	5,142
Prepayments and accrued income	1,185	526
	<u>2,407</u>	<u>5,668</u>

12 Creditors: amounts falling due within one year

	30 June 2016 £'000	31 October 2015 £'000
Bank loans and overdrafts	534	-
Trade creditors	312	4
Derivative financial instruments	1,796	-
Value added tax	66	-
Amounts owed to group undertakings	20,429	36,523
Accruals and deferred income	2,440	7
	<u>25,577</u>	<u>36,534</u>

Amounts owed to group undertakings consist of an unsecured facility from the Company's immediate parent undertaking Notos Energy Limited that is repayable upon demand. Interest is payable at 8% per annum.

The company is exposed to market risk in the form of the movement of interest rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the long-term debt obligations with floating interest rates. The Company manages its interest rate risk by entering into a swap agreement to have a balanced portfolio of fixed and variable interest due on the loan.

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13 Creditors: amounts falling due after more than one year

	30 June 2016 £'000	31 October 2015 £'000
Bank loans and overdrafts	22,136	-
	<u>22,136</u>	<u>-</u>

14 Bank Loans

	30 June 2016 £'000	31 October 2015 £'000
Within one year	534	-
Between one and two years	1,089	-
Between two and five years	3,594	-
Over five years	17,453	-
	<u>22,670</u>	<u>-</u>

Bank loans are repayable in non-equal instalments over 15 years. Interest is payable at between 1.9% and 2.1% above LIBOR. Interest rate swaps have been used to reduce the company's exposure to fluctuating interest rates. the swap rate for the year was 2.124%. The swaps are in place for 75% of all outstanding bank loans for the full life of the loan. The assets of the company form part of the security for the bank loans via fixed and floating charges. Loan issue costs of £591,000 incurred in obtaining finance have been netted off against the loan value and are being amortised over the remaining life of the loans.

15 Provisions for liabilities

	Deferred tax liability £'000	Decommissioning provision £'000	Total £'000
At 1 November 2014	-	-	-
Charged to income statement	-	218	218
At 31 October 2015	<u>-</u>	<u>218</u>	<u>218</u>
At 1 November 2015	-	218	218
Provided for during the year	-	679	679
Charged to income statement	408	4	412
At 30 June 2016	<u>408</u>	<u>901</u>	<u>1,309</u>

A provision has been recognised for decommissioning costs associated with the wind farm owned by Wryde Croft Wind Farm Limited. Wryde Croft Wind Farm Limited is committed to decommissioning the wind farm as a result of the construction of the wind farm for the production of power. The decommissioning provision provides for the future costs of decommissioning of the wind farm. The decommissioning costs were estimated at the time of construction based on the number of turbines installed. The provision has been discounted at an annual rate of 1.7% (2015: 5%) and this discount will be unwound and charged to the profit and loss account until 2036, the estimated date of decommissioning.

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16 Loans

	30 June 2016 £'000	31 October 2015 £'000
Current:		
Intercompany borrowings	20,429	36,523
Bank loans and overdrafts	534	-
Non current:		
Bank loans and overdrafts	22,136	-
	<u>43,099</u>	<u>36,523</u>

Amounts owed to group undertakings consist of an unsecured facility from the Company's immediate parent undertaking Notos Energy Limited that is repayable upon demand. Interest is payable at 8% per annum.

Maturities of financial liabilities

	On demand £'000	Up to 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
At 31 October 2015						
Loans and debts due to related parties	36,523	-	-	-	-	36,523
Total financial liabilities	<u>36,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,523</u>
At 30 June 2016						
Loans and debts due to related parties	20,429	-	-	-	-	20,429
Long term bank borrowings	-	-	534	4,683	17,453	22,670
Total financial liabilities	<u>20,429</u>	<u>-</u>	<u>534</u>	<u>4,683</u>	<u>17,453</u>	<u>43,099</u>

17 Derivative financial instruments

	30 June 2016 £'000	31 October 2015 £'000	1 November 2014 £'000
Interest rate swap on bank borrowing	(1,796)	-	-

At 30 June 2016, the company had an interest rate swap agreement in place with a notional amount of £15,008,278 (2015: £nil) whereby the company pays a fixed rate of interest of 2.124% and receives a variable rate equal to LIBOR on the notional amount. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate LIBOR secured loan.

At 30 June 2016 the decrease in the fair value of the interest rate swap of £1,796,087 has been recognised in other comprehensive income.

The full fair value of this SWAP is classified as a current liability.

18 Called up share capital

	30 June 2016 No.	£	31 October 2015 No.	£
Allotted, called up and fully paid shares	1	1	1	1
Ordinary 'A' shares of £1 each		<u>1</u>		<u>1</u>

19 Operating lease commitments

The company has entered into lease agreements with the landowners on which its wind farm is situated to pay rent based on fixed amounts and amounts linked to turnover and production. Future minimum rentals payable under non-cancellable operating leases are as follows:

	30 June 2016 £'000	31 October 2015 £'000
Operating lease expiring:		
Within one year	86	86
In two to five years	343	343
In over five years	1,528	1,614
	<u>1,957</u>	<u>2,043</u>

Wryde Croft Wind Farm Limited
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20 First-time adoption of FRS 102

For all periods up to and including the year ended 31 October 2015, the company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements for the period ended 30 June 2016, are the first the company has prepared in accordance with FRS 102.

Accordingly the company has prepared individual financial statements which comply with FRS 102 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the company has started from an opening balance sheet as at 1 November 2014, the company's date of transition to FRS 102, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 102. As such, this note explains the principal adjustments made by the company in restating its balance sheet as at 1 November 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the period ended 31 October 2015.

There are no material reclassifications or remeasurements required as a result of the transition to FRS 102 by the company at the transition date of 1 November 2014 or at the comparative balance sheet date of 31 October 2015.

21 Related party disclosures

The following related party balances were outstanding as at 30 June 2016:

Amounts due to the immediate parent company; Notos Energy Limited:

	30 June 2016 £'000	31 October 2015 £'000
As at 1 November	(36,523)	-
Loans received during the year	(1,152)	(36,523)
Loan repayments made	18,669	-
Interest charge	(1,423)	-
As at 30 June/31 October:	<u>(20,429)</u>	<u>(36,523)</u>

Amounts due to the previous immediate parent company; Renewable Energy Systems UK Limited:

	30 June 2016 £'000	31 October 2015 £'000
As at 1 November	-	(2,423)
Loans received during the year	-	(2,852)
Loan repayments made	-	5,503
Interest charge	-	(228)
As at 30 June/31 October	<u>-</u>	<u>-</u>

22 Ultimate controlling party

The company is controlled by the immediate parent company, Boreas Energy Limited, a company incorporated in Great Britain. The ultimate parent company is Fern Trading Limited. Fern Trading Limited heads the smallest and largest group of companies for which consolidated financial statements including the company's position and result are available.

The ultimate controlling party at the date of the financial statements was Fern Trading Limited, a company incorporated in Great Britain. The consolidated financial statements of Fern Trading Limited are available from 6th Floor, 33 Holborn, London EC1N 2HT.