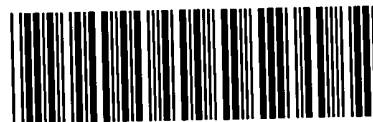


EFR Service Company Limited

Annual report and financial statements

For the year ended 31 December 2016

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COMPANIES HOUSE

Registered in England No: 6160956

EFR Service Company Limited

Directors

S. Aird (Appointed 15 September 2016)
P. Decostre (Appointed 15 September 2016)
R. L. Caperton (Resigned 15 September 2016)
S. Teran-Mathot (Resigned 15 September 2016)

Company Secretary

Gravitas Company Secretarial Services Limited (Appointed 15 September 2016)
R. G. Bourne (Resigned 15 September 2016)

Registered office

One New Change, New Change, London EC4M9AF

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2016. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 419(2) of the Companies Act 2006. The Directors have taken advantage of the provisions applicable to companies entitled to the small companies exemption in both this Directors' report and in not preparing a Strategic report.

Principal activities

The principal activity of the company is the provision of services to Convector LLP (until September 2016) and subsequently to other companies in the European Forest Resources group.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect to further develop the business in the foreseeable future.

The profit for the year after taxation amounted to £5,333 (2015: £1,771).

Going Concern, Key Business Risks and Uncertainties

After making enquiries, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future as described in Note 1 to the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements. The directors note the following key business risks and uncertainties:

- liquidity risk;
- interest rate risk; and
- credit risk.

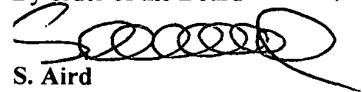
These risks and management's responses thereto are described more fully in note 17 to the financial statements.

Auditor

Deloitte LLP were appointed as auditor. The company has elected to dispense with the requirement to appoint an auditor annually.

Each of the persons who is a director at the date of approval of this annual report confirms that so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board



S. Aird
Director

17 July 2017

EFR Service Company Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 to 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.

The names of all persons who were directors during the year are disclosed on page 1.

EFR Service Company Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFR SERVICE COMPANY LIMITED

We have audited the financial statements of EFR Service Company Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with appropriate legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

EFR Service Company Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFR SERVICE COMPANY LIMITED (continued)

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
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report and director's report; or
- we have not received all the information and explanations we require for our audit.



Andrew Partridge (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
17 July 2017

EFR Service Company Limited

Statement of Comprehensive Income

for the year ended 31 December 2016

	Note	2016 £	2015 £
Rendering of services	3	593,376	481,179
Administrative expenses	4	(588,092)	(477,003)
Operating profit		5,284	4,176
Finance income		39	59
Profit before tax		5,323	4,235
Taxation	7	10	(2,464)
Profit for the year		5,333	1,771
Other comprehensive income		-	-
Total comprehensive income		5,333	1,771

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 to 18 form part of these accounts

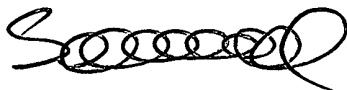
EFR Service Company Limited

Statement of Financial Position

as at 31 December 2016

	Note	2016 £	2015 £
Non-current assets			
Investments	8	-	10,000
Property, plant and equipment	9	14,024	19,862
Non-current assets		14,024	29,862
Current assets			
Trade and other receivables	10	235,553	63,147
Cash and cash equivalents	11	58,048	18,152
Current assets		293,601	81,299
Total assets		307,625	111,161
Equity			
Share capital	12	4	4
Share premium	13	9,999	9,999
Retained earnings		55,141	49,808
Total equity		65,144	59,811
Current liabilities			
Trade and other payables	14	214,011	31,492
Current liabilities		214,011	31,492
Non-current liabilities			
Provisions	15	28,470	19,858
Non-current liabilities		28,470	19,858
Total liabilities		242,481	51,350
Total equity and liabilities		307,625	111,161

Approved by the board on 17 July 2017 and signed on its behalf by



S. Aird
Director

Registered in England No: 6160956

The notes on pages 9 to 18 form part of these accounts

EFR Service Company Limited

Statement of Cash Flows

for the year ended 31 December 2016

	2016 £	2015 £
Cash flows from: Operating activities		
Profit for the year	5,333	1,771
(Increase) / decrease in trade and other receivables	(172,406)	15,743
Increase / (decrease) in trade and other payables	182,519	(26,437)
Less finance income	(39)	(59)
Add depreciation expense	9,461	8,874
Add provision expensed	8,612	8,588
Loss on disposal of investment	10,000	-
Net cash (used in) / from operating activities	43,480	8,480
Investing activities		
Purchase of property, plant and equipment	(6,365)	(4,981)
Proceeds from disposal of property, plant & equipment	2,742	-
Interest received	39	59
Net cash (used in) / generated from investing activities	(3,584)	(4,922)
Net (decrease) / increase in cash and cash equivalents	39,896	3,558
Cash and cash equivalents at beginning of year	18,152	14,594
Cash and cash equivalents at end of year	58,048	18,152

The notes on pages 9 to 18 form part of these accounts

EFR Service Company Limited

Statement of Changes in Equity

for the year ended 31 December 2016

	Share capital £	Share premium £	Retained earnings £	Total Equity £
Balance at 31 December 2014	4	9,999	48,037	58,040
Total comprehensive income	-	-	1,771	1,771
Balance at 31 December 2015	4	9,999	49,808	59,811
Total comprehensive income	-	-	5,333	5,333
Balance at 31 December 2016	4	9,999	55,141	65,144

The notes on pages 9 to 18 form part of these accounts

EFR Service Company Limited

Notes to the financial statements

1 General information

EFR Service Company Limited is a private company limited by shares, registered in England and incorporated in the United Kingdom under the Companies Act 2006.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted for use in the EU. IFRSs comprise accounting standards issued by the International Accounting Standards Board ('IASB') and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') and its predecessor body as adopted by the EU.

The financial statements are presented in £ sterling because this is the currency of the primary economic environment in which the company operates.

Going concern

The company's business activities, performance and position are set out in the Business Review on page 1. The financial position of the company, its cash flows, liquidity position and borrowing facilities are found in the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows and Notes to the Financial Statements. In addition, within the Notes to the Financial Statements one will find its financial risk management objectives, details of its financial instruments, and its exposures to credit risk and liquidity risk. The factors likely to affect its future development are summarised below.

The company has obtained a letter of support stating that Boralex Europe S.à r.l. will provide financial support, if required, to enable the company to meet its obligations as they fall due, and continue as a going concern.

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

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 continue to adopt the going concern basis in preparing the annual report and accounts.

2 Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Amendments to IFRSs that are mandatorily effective for the current period

The following Standards or Interpretations have been adopted in the current period. Their adoption has not had any impact on the amounts reported in these financial statements and is not expected to have any impact on future financial periods:

- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* - The company has adopted the amendments for the first time in the current period. The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

As the company is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity, the adoption of the amendments has had no impact on the company's financial statements.

- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* - The company has adopted the amendments for the first time in the current period. The amendments provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied. The same requirements should be applied to the formation of a joint operation if and

EFR Service Company Limited

Notes to the financial statements (continued)

2 Accounting policies (continued)

Amendments to IFRSs that are mandatorily effective for the current period (continued)

only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The adoption of these amendments has had no impact on the company's financial statements.

- Amendments to IAS 1 *Disclosure Initiative* - The company has adopted the amendments for the first time in the current period. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance. The amendments also address the structure of the financial statements by providing examples of systematic ordering or grouping of the notes.

The adoption of these amendments has not resulted in any impact on the financial performance or financial position of the company.

- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* - The company has adopted the amendments for the first time in the current period. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expressed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

As the company already uses the straight-line method for depreciation and amortisation for its property, plant and equipment and intangible assets, respectively, the adoption of these amendments has had no impact on the company's financial statements.

- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* - The company has adopted the amendments for the first time in the current period. The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The adoption of these amendments has had no impact on the company's financial statements as the company is not engaged in agricultural activities.

- Amendments to IAS 27 *Equity Method in Separate Financial Statements* - The company has adopted the amendments for the first time in the current period. The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost,
- in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or
- using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures*.

The same accounting must be applied to each category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs.

The adoption of the amendments has had no impact on the company's financial statements as the company accounts for investments in subsidiaries and associates at cost and is not an investment entity.

EFR Service Company Limited

Notes to the financial statements (continued)

2 Accounting policies (continued)

Amendments to IFRSs that are mandatorily effective for the current period (continued)

- Annual Improvements to IFRSs 2012-2014 Cycle - The company has adopted the amendments to IFRSs for the first time in the current period.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The adoption of these amendments has had no effect on the company's financial statements.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements the following Standards and Interpretations have been issued, but are not yet effective (and in some cases had not been adopted by the EU):

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- IFRS 2 (amendments) *Classification and Measurement of Share-based Payment Transactions*
- IAS 7 (amendments) *Disclosure Initiative*
- IAS 2 (amendments) *Recognition of Deferred Tax Assets for Unrealised Losses*
- IFRS 10 and IAS 28 (amendments) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Measurement convention

The financial statements are prepared on the historical cost basis.

Expenses

All expenses are accounted for on an accruals basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation of an asset commences when it is available for use. The estimated useful lives are as follows:

- office equipment: 5 years
- leasehold improvements: 5 years

Financial instruments

Most of the company's financial instruments are carried at fair value on the Statement of Financial Position. For certain other financial instruments, specifically trade and other receivables and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

EFR Service Company Limited

Notes to the financial statements *(continued)*

2 **Accounting policies** *(continued)*

Trade and other payables

Trade payables, borrowings and other payables are measured at amortised cost using the effective interest rate method.

Trade and other receivables

Trade receivables, loans and other receivables are measured at amortised cost using the effective interest rate method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Rendering of services

Rendering of services income comprises fees charged under a Services Agreement with related parties in relation to the provision of services and resources for the purposes of operating its business as a service company and is recognised when the services are rendered.

Financing income and expense

Financing income comprises interest receivable on funds invested that are recognised in the Statement of Comprehensive Income.

Interest income and interest payable is recognised in the Statement of Comprehensive Income as they accrue.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate 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 foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

Operating leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of the incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Provisions

Provisions for dilapidations are recognised when the Company has present obligation (legal or constructive) as a result of a past event, it is probable the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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 year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

EFR Service Company Limited

Notes to the financial statements (continued)

2 Accounting policies (continued)

Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

3 Rendering of services

	2016 £	2015 £
Service fee income	593,376	481,179
	593,376	481,179

4 Administrative expenses

Included in administrative expenses are the following:

	2016 £	2015 £
Bank charges	999	676
Staff costs	308,365	246,888
Travel and entertainment expense	762	-
Property costs	174,360	171,475
Communication, information and general office expense	44,119	30,362
Audit fee	6,490	6,490
Professional fees	35,064	3,613
Depreciation	9,461	8,874
Dilapidation provision	8,612	8,588
Foreign exchange (gains) / losses	(140)	37
	588,092	477,003

5 Staff numbers and costs

The average number of persons employed by the company during the year was 3 (2015: 3).

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	262,359	206,750
Social security costs	30,331	24,632
Other pension costs	15,675	15,506
	308,365	246,888

The employees of the company are members of a defined contribution scheme. The company contributes a specified percentage of payroll costs to the scheme. The only obligation of the company to the scheme is to make the specified contributions.

No director received any remuneration from the company during the year (2015: £nil).

6 Fees payable to the company's auditor

	2016 £	2015 £
Fee for the audit of the company	6,490	6,490
	6,490	6,490

EFR Service Company Limited

Notes to the financial statements *(continued)*

7 Taxation

	2016 £	2015 £
Recognised in the Statement of Comprehensive Income		
<i>Current tax (income) / expense:</i>		
Total current tax expense	-	2,630
Prior period adjustment	(10)	(166)
Total tax (income) / expense in the Statement of Comprehensive Income	(10)	2,464

	2016 £	2015 £
Reconciliation of effective tax rate		
Profit before tax	5,323	4,235
Implied tax expense at 20% (2015: 20.25%)	1,065	858
Non-deductible expenses	4,371	1,772
Group relief	(5,436)	-
Prior period adjustment	(10)	(166)
Total tax (income) / expense in Statement of Comprehensive Income	(10)	2,464

8 Investments

	2016 £	2015 £
Capital contributed to limited liability partnership	-	10,000
	-	10,000

The company resigned as the Corporate Member of Convexor LLP in September 2016.

EFR Service Company Limited

Notes to the financial statements (continued)

9 Property, plant and equipment

	Office equipment £	Leasehold improvements £	Total £
Cost			
Balance at 31 December 2014	79,955	2,475	82,430
Acquisitions	4,981	-	4,981
Balance at 31 December 2015	84,936	2,475	87,411
Acquisitions	6,365	-	6,365
Disposals	(5,026)	-	(5,026)
Balance at 31 December 2016	86,275	2,475	88,750
Depreciation			
Balance at 31 December 2014	57,685	990	58,675
Provided during the year	8,379	495	8,874
Balance at 31 December 2015	66,064	1,485	67,549
Provided during the year	8,966	495	9,461
Released on disposal	(2,284)	-	(2,284)
Balance at 31 December 2016	72,746	1,980	74,726
Net book value			
at 31 December 2016	13,529	495	14,024
at 31 December 2015	18,872	990	19,862

10 Trade and other receivables

	2016 £	2015 £
Amounts due from Group undertakings	177,429	2,086
Other receivables and prepayments	58,124	61,061
	235,553	63,147

11 Cash and cash equivalents

	2016 £	2015 £
Cash at banks and in hand	58,048	18,152
	58,048	18,152

12 Share capital

<i>Authorised</i> – ordinary shares of £1 each:	£
Balance at 1 January 2015	100
Balance at 31 December 2015 and 31 December 2016	100
<i>Issued and fully paid</i> – ordinary shares of £1 each:	£
Balance at 1 January 2015	4
Balance at 31 December 2015 and 31 December 2016	4

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

13 Share premium

	£
Balance at 1 January 2015	9,999
Balance at 31 December 2015 and 31 December 2016	9,999

EFR Service Company Limited

Notes to the financial statements (continued)

14 Trade and other payables

	2016	2015
	£	£
Trade payables	50,542	8,742
Trade payables due to related parties	109,832	295
Other payables and accrued expenses	53,637	22,455
	<u>214,011</u>	<u>31,492</u>

15 Provisions

	2016	2015
	£	£
Balance at beginning of year	19,858	11,270
Additions	8,612	8,588
Balance at end of year	<u>28,470</u>	<u>19,858</u>

The Company has a dilapidation liability under an operating lease that has been accrued for.

16 Operating lease arrangements

	2016	2015
	£	£
Lease payments under an operating lease recognised as an expense in the year	85,400	85,400
	<u>85,400</u>	<u>85,400</u>

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:-

	2016	2015
	£	£
Within one year	80,487	85,400
In the second to fifth year inclusive	-	80,487
	<u>80,487</u>	<u>165,887</u>

Operating lease payments represent rentals payable for office property.

17 Financial instruments

The company's financial instruments comprise cash balances, receivables and payables that arise from its operations.

The company's activities expose it to credit risk, interest rate risk and liquidity risk.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the company. The company has credit policies in place and exposure to credit risk is monitored on an ongoing basis. At 31 December, the financial assets exposed to credit risk were as follows:

Financial Assets	2016	2015
	£	£
Trade and other receivables	235,553	63,147
Cash and cash equivalents	58,048	18,152
	<u>293,601</u>	<u>81,299</u>

Credit risk arising on trade and other receivables and financial assets is mitigated by management involvement in the group companies. Credit risk on cash and cash equivalents is mitigated by depositing funds with banks with credit rating of 'AA3' or better as determined by Moody's and Fitch rating agencies.

EFR Service Company Limited

Notes to the financial statements (continued)

17 Financial instruments (continued)

Fair value

The directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate fair value due to the immediate or short-term nature of these financial instruments.

Interest rate risk

The company is exposed to interest rate risk on its bank deposits and changes in interest rates can effect the financial results of the company. For example, a 1% increase / decrease in interest rates would have an effect of approximately £247 (2015: £225) on the Statement of Comprehensive Income, before tax.

Liquidity risk

The company meets its day-to-day working capital requirements through fee income other companies within the EFR Group.

The following tables details the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be expected to pay.

Maturity analysis of financial liabilities

	Less than 3 months £	Total £
<i>31 December 2016</i>		
Trade payables	50,542	50,542
Amounts due to related parties	109,832	109,832
Non-trade payables and accrued expenses	53,637	53,637
	214,011	214,011
<i>31 December 2015</i>		
Trade payables	8,742	8,742
Amounts due to related parties	295	295
Non-trade payables and accrued expenses	22,455	22,455
	31,492	31,492

18 Related parties

Identity of related parties

The company has a related party relationship with its parent, subsidiaries, fellow subsidiaries of its parent and with its key management personnel, being its directors.

The company is in the same VAT group as Druim Ba Sustainable Energy Limited, EFR (Scotland) Limited, European Forest Resources GP Limited, European Forest Resources Acquisition Limited and Fauch Hill Sustainable Energy Limited.

The following companies are related parties as a director of the company held a directorship or was a partner in those companies during the year:

- Chasses et Foret SAS
- Druim Ba Sustainable Energy Limited
- EFR (Scotland) Limited
- European Forest Resources Holdings Limited
- European Forest Resources Holdings LP
- European Forest Resources Holdings GP Limited
- European Forest Resources Limited
- European Forest Resources Holdings S.à r.l.
- European Forest Resources (France) S.à r.l.
- European Forest Resources (UK) S.à r.l.
- European Forest Resources LP
- European Forest Resources (Scotland) LP

EFR Service Company Limited

Notes to the financial statements (continued)

18 Related parties (continued)

European Forest Resources GP Limited
European Forest Resources Acquisition Limited
Fauch Hill Sustainable Energy Limited
Forestis SAS
Groupement Forestier des Bois de L'Avenir
Les Moulins du Lohan SAS
Ressources Forestieres SAS

Amounts due to related parties at the year end represent receipts of VAT on behalf of the related party under the company's VAT group registration, the payment of administrative expenses made on behalf of the company and the amounts outstanding under the Service Fee Agreement (Note 3).

	2016	2015
	£	£
Convactor LLP (related party until 15 September 2016)	-	292
European Forest Resources (Scotland) LP	109,832	-
Fauch Hill Sustainable Energy Limited	-	3
	<u>109,832</u>	<u>295</u>

Amounts due from related parties at the year end represent the payment of administrative expenses made on behalf of the related party.

	2016	2015
	£	£
Druim Ba Sustainable Energy Limited	31,557	661
EFR (Scotland) Limited	20,118	-
European Forest Resources Holdings S.à r.l.	200	200
European Forest Resources Limited	475	765
European Forest Resources (Scotland) LP	-	9
Fauch Hill Sustainable Energy Limited	71,453	-
Forestis SAS	296	-
Les Moulins du Lohan SAS	898	-
Louis Dreyfus Energy Holdings Limited (related party until 15 September 2016)	-	317
Ressources Forestieres SAS	52,432	134
	<u>177,429</u>	<u>2,086</u>

19 Ultimate parent company and group financial statements

The ultimate parent undertaking is Boralex Inc., a company registered in Canada. Boralex Inc. is also the largest and smallest parent undertaking for which group financial statements are prepared. Copies of these group financial statements may be obtained from its registered office at 36 Lajeunesse Street, Kingsly Falls, Canada JOA 1BO.

Until 15 September 2016 the ultimate parent undertaking was Louis Dreyfus Holding B.V., a company registered in the Netherlands.