Registration number: 06707821

GLID Wind Farms TopCo Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

GLID Wind Farms TopCo Limited

Strategic Report for the Year Ended 31 December 2016

Contents

GLID Wind Farms TopCo Limited

Strategic Report for the Year Ended 31 December 2016

The Directors present their Strategic Report of GLID Wind Farms TopCo Limited ("the Company") for the Group for the year ended 31 December 2016.

Review of the business
The GLID Wind Farms TopCo's Group ("the Group") financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The subsidiary companies, Lynn Wind Farm Limited and Inner Dowsing Wind Farm Limited, wind farms have operated satisfactorily during the year. Generation was slightly below plan with a corresponding reduction in revenues. The availability overall was slightly above plan, with lower wind speeds than plan leading to the lower generation.

On 7 March 2016, each of GLID Limited and Boreas Holdings S.à.r.l. agreed to sell their respective 50% shareholding in the Company to UK Green Investment LID Limited (303,771 shares, 60.8% holding for £63,388,000 consideration), RI Income UK Holdings Limited (171,373 shares, 34.3% holding for £35,760,000 consideration) and RI EU Holdings (UK) Limited (24,856 shares, 4.9% holding for £5,187,000 consideration). As part of the transaction the Company was granted an option to purchase the Grimsby operational base.

On the same day, immediately after the change of ownership GLID Wind Farms TopCo Limited agreed to sell it's 100% investment in Glens of Foudland Wind Farm Limited to RI Income UK Holdings Limited for consideration of £25,143,000, resulting in a profit on disposal of £2,839,000.

Principal risks and uncertainties
The GLID Wind Farms TopCo Group's principal risk which is a known feature of wind farms is revenue uncertainty. Revenue is dependent on wind speeds and the related power curve which together impact the potential revenue of the wind farm. The availability is driven by the technical performance of the wind turbines and ancillary equipment, and the physical access to the wind farms. The power generated is sold under power purchase agreements and the power price was dependent on market pricing subject to a cap and floor in respect of 75% of the generation. ROCs are awarded based on production and have an annual price published by OFGEM which is indexed from 1 April each year. Revenue uncertainty impacts the Group's cash flow and as such the ability to make loan repayments and to make distributions when appropriate.

Key performance indicators (KPIs)
The Directors formally convene monthly board meetings. The board meetings' standing agenda items provide a review of key performance metrics covering health, safety and the environment, operations and maintenance activity and financial performance.

The following KPIs are monitored in the monthly financial reports: generation, availability, load factor, revenue £/MWh and opex £/MWh.

To create the maximum renewable energy the Company monitors the effectiveness and efficiency of the wind farms on a regular basis and endeavours to achieve a high level of availability.

GLID Wind Farms TopCo Limited

Strategic Report for the Year Ended 31 December 2016 (continued)

Financial position
The financial position of the Group and Company are presented in the Statement of Financial Position on pages 10 and 11. Total shareholders' funds for the Group at 31 December 2016 were £6,284,000 (2015: £31,345,000) and for the Company were £25,087,000 (2015: £36,895,000).

Future developments
Commercial generation is expected to continue from the two subsidiary wind farms for the foreseeable future. Decisions will be made towards the end of the wind farm's useful economic life, around 2033, to decide if the assets will be decommissioned or a repowering of the site will be undertaken.

There are no further plans to change the nature of activities in the foreseeable future.

Approved by the Board on 24 March 2017 and signed by order of the board.

KLChandler
....
Karen Chandler
Company secretary

Company Secretary

Company registered in England and Wales, No. 06707821
Registered office:
Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

GLID Wind Farms TopCo Limited

Directors' Report for the Year Ended 31 December 2016

The Directors present their report and the audited consolidated Financial Statements for the year ended 31 December 2016.

Directors of the Company
The Directors of the Company who were in office during the year were:

J-D Borgeaud (resigned 7 March 2016)
S Hayden (resigned 7 March 2016)
R Marsden (resigned 7 March 2016)
R McCord (resigned 7 March 2016)
W Mouawad (resigned 7 March 2016)
S Redfern (resigned 7 March 2016)

The following directors were appointed during the year and remain in place up to the date of signing the financial statements:
P Raftery (appointed 7 March 2016)
C Reid (appointed 7 March 2016)
K Smith (appointed 7 March 2016)
A Ulens (appointed 7 March 2016)

Principal activity
The principal activity of the Company and its subsidiaries ("the Group") is the operation of the Lynn and Inner Dowsing wind farms for the year and until its disposal on 7 March 2016 Glens of Foudland Wind Farm Limited.

Results and Dividends
The results of the Group are set out on page 9. The consolidated loss for the financial year was £18,814,000 (2015: £6,180,000). The consolidated loss on ordinary activities before income tax for the year was £22,434,000 (2015: £9,777,000). Dividends of £14,500,000 were paid during the year, the Directors propose a final dividend of £nil for the year ended 31 December 2016 (2015: £7,500,000).

Financial instruments

Objectives and policies

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed. Exposure to counterparty credit risk, foreign currency risk on contracts and liquidity risk arises in the normal course of the Company's business.

Price risk, credit risk, liquidity risk and cash flow risk

- Until 7 March 2016 the Group was project financed via a bank syndicate, the facilities of which were subject to a Loan Facility Agreement ("LFA") to which GLID Wind Farms TopCo Limited was an Obligor and Guarantor.
- In order to review available liquidity cash forecasts for the Group are produced and reviewed regularly.
- Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and were subject to approved limits governed by the LFA. Credit risk is limited to exposures with British Gas Trading Limited, a related Centrica group company, and Npower Limited. There is a Parent Company Guarantee in place in respect of the Npower Agreement.
- In respect of electricity price risk, the Group has entered into power purchase agreements ("PPAs") with British Gas Trading Limited to sell power until September 2024, with the power prices based on market prices subject to a cap and floor in respect of 75% of generation.
- In order to generate the maximum renewable energy the Group monitors the effectiveness and efficiency of the wind farms on a regular basis and endeavours to achieve a high level of availability. For 2016 the wind farms availability, being the proportion of time that the wind turbines were not offline for maintenance and were able to operate, was slightly above management expectations. British Gas Trading Limited was a related party until 7 March 2016.

Future developments

Future developments are discussed in the Strategic Report on page 2.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate. The Board of Directors have concluded this is appropriate based on the approved Business Plan for 2017 and this view is maintained based on actual results in 2017 to the date of signing the statutory financial statements.

Directors liabilities

GLID Wind Farms TopCo Limited is jointly controlled and the Directors of the Company are nominated by the joint venture partners. The Directors are covered by their respective ultimate parent company's directors' and officers' liability insurance. The insurances do not provide cover in the event that the Director is proved to have acted fraudulently or unlawfully.

Directors' Report for the Year Ended 31 December 2016 (continued) Statement of Directors' Responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and IFRSs as adopted by the European Union have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.
The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the 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 group and company's auditors are aware of that information.

Independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

The Directors' report was approved by the Board on 24 March 2017.

KLChandler
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Karen Chandler
Company Secretary

Company registered in England and Wales, No. 06707821
Registered office:
Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

Independent Auditors' Report to the Members of GLID Wind Farms TopCo Limited

Report on the financial statements

Our opinion

In our opinion,

- GLID Wind Farms TopCo Limited's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2016 and of the Group's loss and the Group's and the Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Consolidated and Company Statements of Financial Position as at 31 December 2016;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and Company Statements of Cash Flows for the year then ended;
- the Consolidated and Company Statements of Changes in Equity for the year 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 IFRSs as adopted by the European Union, and applicable law and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 Strategic Report and the Directors' Report for the financial year 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

Independent Auditors' Report to the Members of GLID Wind Farms TopCo Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 Group's and 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.

K Stent

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Katherine Stent (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP

23 Forbury Road
Reading
RG1 3JH

31 March 2017

Consolidated Income Statement for the Year Ended 31 December 2016

	Note	2016 £000	2015 £000
Continuing operations			
Revenue	4	**54,547**	66,486
Cost of Sales		**(25,051)**	(30,901)
Gross profit		**29,496**	35,585
Administrative expenses		**(21,213)**	(17,483)
Operating profit	5	**8,283**	18,102
Profit on disposal of subsidiary		**2,653**	-
Finance income	7	**18**	144
Finance cost	7	**(33,388)**	(28,023)
Loss before income tax		**(22,434)**	(9,777)
Income tax credit	10	**3,645**	2,765
Loss for the financial year from continuing operations		**(18,789)**	(7,012)
Discontinued operations			
Revenue	4	**872**	5,000
Cost of Sales		**(193)**	(1,576)
Gross profit		**679**	3,424
Administrative expenses		**(649)**	(2,020)
Operating profit	5	**30**	1,404
Finance cost	7	**0**	(121)
Profit before income tax		**30**	1,283
Income tax charge	10	**(55)**	(451)
(Loss)/profit for the year from discontinued operations		**(25)**	832
Loss for the year		**(18,814)**	(6,180)

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company Income Statement. The loss for the parent company for the year was £5,561,000 (2015: £7,834,000).

The notes on pages 16 to 41 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2016

	2016 £ 000	2015 £ 000
Loss for the financial year	**(18,814)**	(6,180)
Items that may be reclassified subsequently to profit or loss		
Profit on cash flow hedges (net)	**10,065**	3,614
Income tax effect on cash flow hedges	**(1,812)**	(924)
	8,253	2,690
Total comprehensive expense for the year	**(10,561)**	(3,490)

GLID Wind Farms TopCo Limited

Consolidated Statement of Financial Position as at 31 December 2016

	Note	Group 2016	Group 2015
Non-current assets			
Property, plant and equipment	11	**294,800**	332,453
Total non-current assets		**294,800**	332,453
Current assets			
Trade and other receivables	13	**15,394**	49,898
Inventories	14	**356**	1,503
Cash and cash equivalents		**7,291**	16,057
Total current assets		**23,041**	67,458
Total assets		**317,841**	399,911
Non-current liabilities			
Deferred tax liabilities	16	**(15,739)**	(18,578)
Derivative financial instruments	22	**-**	(10,065)
Provisions for other liabilities and charges	17	**(16,327)**	(12,539)
Borrowings	18	**(273,650)**	(251,601)
Total non-current liabilities		**(305,716)**	(292,783)
Current liabilities			
Trade and other payables	15	**(5,841)**	(51,613)
Borrowings	18	**-**	(24,170)
Total current liabilities		**(5,841)**	(75,783)
Total liabilities		**(311,557)**	(368,566)
Net assets		**6,284**	31,345
Equity			
Called up share capital	19	**500**	500
Cash flow hedging reserve		**-**	(8,253)
Retained earnings		**5,784**	39,098
Total shareholder funds		**6,284**	31,345

The financial statements on pages 9 to 41 were approved and authorized for issue by the Board of Directors on 24 March 2017 and signed on its behalf by:

....

Alexis Ulens

Director
Company number 06707821

The notes on pages 16 to 41 form an integral part of these financial statements.

GLID Wind Farms TopCo Limited

Company Statement of Financial Position as at 31 December 2016

	Note	Company 2016 £ 000	Company 2015 £ 000
Non-current assets			
Property, plant and equipment	11	**639**	-
Investments	12	**95,996**	126,700
Deferred tax assets	16	-	1,812
Total non-current assets		**96,635**	128,512
Current assets			
Trade and other receivables	13	**199,794**	224,453
Cash and cash equivalents		**2,796**	15,872
Total current assets		**202,590**	240,325
Total assets		**299,225**	368,837
Non-current liabilities			
Derivative financial instruments	22	-	(10,065)
Borrowings	18	**(273,650)**	(251,601)
Total non-current liabilities		**(273,650)**	(261,666)
Current liabilities			
Trade and other payables	15	**(488)**	(46,106)
Borrowings	18	-	(24,170)
Total current liabilities		**(488)**	(70,276)
Total liabilities		**(274,138)**	(331,942)
Net assets		**25,087**	36,895
Equity			
Called up share capital	19	**500**	500
Cash flow hedging reserve		-	(8,253)
Retained earnings		**24,587**	44,648
Total shareholder funds		**25,087**	36,895

The financial statements on pages 9 to 41 were approved and authorised for issue by the Board of Directors on 24 March 2017 and signed on its behalf by:

....

Alexis Ulens

Director

Company number 06707821

The notes on pages 16 to 41 form an integral part of these financial statements.

Consolidated and Company Statements of Changes in Equity for the Year Ended 31 December 2016

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2016

	Note	Share capital £ 000	Cashflow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
Balance as at 1 January 2015	19	500	(10,943)	45,278	34,835
Loss for the year		-	-	(6,180)	(6,180)
Other comprehensive income		-	2,690	-	2,690
Total comprehensive income/(expense)		-	2,690	(6,180)	(3,490)
Dividends		-	-	-	-
Balance as at 31 December 2015		500	(8,253)	39,098	31,345

	Note	Share capital £ 000	Cashflow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
Balance as at 1 January 2016	19	500	(8,253)	39,098	31,345
Loss for the year		-	-	(18,814)	(18,814)
Other comprehensive income		-	8,253	-	8,253
Total comprehensive income/(expense)		-	8,253	(18,814)	(10,561)
Dividends		-	-	(14,500)	(14,500)
Balance as at 31 December 2016		**500**	**-**	**5,784**	**6,284**

Company Statement of Changes in Equity for the Year Ended 31 December 2016

	Note	Share capital £ 000	Cashflow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
Balance as at 1 January 2015	19	500	(10,953)	52,482	42,039
Loss for the year		-	-	(7,834)	(7,834)
Other comprehensive income		-	2,690	-	2,690
Total comprehensive income/(expense)		500	2,690	(7,834)	(5,144)
Dividends		-	-	-	-
Balance as at 31 December 2015		500	(8,253)	44,648	36,895

	Note	Share capital £ 000	Cashflow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
Balance as at 1 January 2016	19	500	(8,253)	44,648	36,895
Loss for the year		-	-	(5,561)	(5,561)
Other comprehensive income		-	8,253	-	8,253
Total comprehensive income/(expense)		-	8,253	(5,561)	2,692
Dividends		-	-	(14,500)	(14,500)
Balance as at 31 December 2016		**500**	**-**	**24,587**	**25,087**

The notes on pages 16 to 41 form an integral part of these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Cash flows from operating activities			
Loss for the year		**(18,814)**	(6,180)
Adjustments for:			
Depreciation	11	**19,549**	26,970
Profit on disposal of subsidiary		**(2,653)**	-
Finance income	7	**(18)**	(144)
Finance costs	7	**33,388**	28,144
Income tax credit	10	**(3,590)**	(2,314)
Operating cash flows before movements in working capital		**27,862**	46,476
Changes in working capital			
Decrease/(increase) in inventories	14	**1,147**	(750)
Decrease/(increase) in trade and other receivables	13	**12,799**	(6,895)
(Decrease)/Increase in trade and other payables	15	**(961)**	809
Net cash flow generated from operating activities		**40,847**	39,640
Cash flows from investing activities			
Interest received		**18**	146
Acquisitions of property plant and equipment	11	**(711)**	(202)
Loan repayment received from parent undertaking		**20,974**	-
Net cash flows from investing activities		**20,281**	(56)
Cash flows from financing activities			
Interest paid		**(76,110)**	(13,809)
Repayment of borrowings		**(275,771)**	(19,696)
Proceeds from loans from shareholders		**272,872**	-
Dividends paid to owners of the parent		**(14,500)**	-
Sale of interest in a subsidiary		**23,615**	-
Net cash flows used in financing activities		**(69,894)**	(33,505)
Net (decrease)/increase in cash and cash equivalents		**(8,766)**	6,079
Cash and cash equivalents at 1 January		**16,057**	9,978
Cash and cash equivalents at 31 December		**7,291**	16,057
Cash flows from discontinued operations			
Cash flows from operating activities of discontinued operations		**16,977**	(4)
Cash flows from financing activities of discontinued operations		**(15,583)**	-
Net (decrease)/increase in cash and cash equivalents of discontinued operations		**1,394**	(4)

Company Statement of Cash Flows for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Cash flows from operating activities			
Loss for the year		**(5,561)**	(7,834)
Adjustments for:			
Loss on disposal of subsidiary		**5,562**	-
Finance income		**(34,004)**	(19,594)
Finance costs		**33,070**	27,673
Income tax credit		**-**	(1,685)
Operating cash flows before movements in working capital		**(933)**	(1,440)
Changes in working capital			
Decrease in trade and other receivables		**21,962**	39,584
(Decrease)/increase in trade and other payables		**(1,675)**	1,303
Net cash flow generated from operating activities		**19,354**	39,447
Cash flows from investing activities			
Interest received		**18**	146
Acquisitions of property plant and equipment		**(639)**	-
Loan repayment received from parent undertaking		**20,974**	-
Dividends received		**15,583**	-
Net cash flows from investing activities		**35,936**	146
Cash flows from financing activities			
Interest paid		**(76,110)**	(13,809)
Repayment of borrowings		**(275,771)**	(19,696)
Proceeds from loans from shareholders		**272,872**	-
Dividends paid to owners of the parent		**(14,500)**	-
Sale of interest in a subsidiary		**25,143**	-
Net cash flows used in financing activities		**(68,366)**	(33,505)
Net increase/(decrease) in cash and cash equivalents		**(13,076)**	6,088
Cash and cash equivalents at 1 January		**15,872**	9,784
Cash and cash equivalents at 31 December		**2,796**	15,872

The notes on pages 16 to 41 form an integral part of these financial statements.

1 General information

GLID Wind Farms TopCo Limited (the 'Company') is a company limited by shares and incorporated and domiciled in England and Wales.

The address of its registered office is:
Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

The principal place of business is:
Centrica Renewables O&M
North Quay
Grimsby
DN31 3SY

2 Accounting policies

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("adopted IFRSs").

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation
The Group's financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting. Each company in the Group has adopted the same accounting policies and they are applied uniformly across the Group. The financial statements of each company in the Group have been prepared to 31 December 2016. All intra-group transactions and profits are eliminated in full on consolidation.

Basis of preparation
The Group's financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("adopted IFRSs"). In preparing the Group's financial statements the Group applies the recognition, measurement and disclosure requirements of adopted IFRSs, but makes amendments where necessary in order to comply with Companies Act 2006.

These financial statements are presented in pound sterling (with all values rounded to the nearest thousand pounds except when otherwise indicated), which is also the functional currency of the Group. Transactions conducted in currencies other than the functional currency are translated in accordance with the foreign currencies accounting policy set out below.

2 Accounting policies (continued)

The financial statements are prepared on the historical cost basis except for derivative financial instruments and financial instruments designated at fair value through profit and loss on initial recognition. The carrying value of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Going concern
The financial statements have been prepared on a going concern basis.

Changes in accounting policy

Change of useful life / depreciation
In 2016 the group sought technical advice which determined that with appropriate maintenance of the wind farm asset the total useful economic life of the asset (from first commissioning) could be 25 years. Subsequently the group has changed the UEL from 20 years to a maximum of 25 years for both plant, machinery and decommissioning assets.

New standards, amendments and interpretations adopted
None of the standards, amendments or interpretations effective for the financial year beginning on 1 January 2016 are considered to have a material effect on the financial statements.

New standards, amendments and intrepretations not yet adopted
The following standards, amendments to standards and interpretations, which are effective for annual periods beginning after 1 January 2017, have not been applied in these financial statements and may have an effect on the Group's financial statements in future:

IFRS 9 'Financial instruments' is effective for periods beginning on 1 January 2018. The Group is in the process of assessing IFRS 9 and is still to conclude on impact of this standard, although its effects are not expected to be material.

IFRS 15 'Revenue from contracts with customers' is effective for periods beginning on 1 January 2018. The Group is in the process of assessing the impact of the new standard, although its effects are not expected to be material.

IFRS 16 'Leases' was issued in January 2016, effective from 1 January 2019, but still subject to EU endorsement. IFRS 16 'Leases' will have an effect on the Group's financial statements although this has yet to be quantified. IFRS 16, with certain exceptions, requires the Group, as a lessee, to recognise right of use assets and lease liabilities for all leases. There is no longer a distinction between operating and finance leases for lessees. The definition of a lease has also been modified which may change those contracts the Group accounts for as leases.

None of the other standards, amendments and interpretations effective for periods beginning after 1 January 2017, and which have not been adopted early, would be expected to have a material effect on the financial statements.

2 Accounting policies (continued)

Revenue recognition
Revenue relates to the sale of generated power and the associated Renewables Obligation Certificates ("ROCs") including Recycling Benefit. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised on the basis of power supplied during the period, together with associated ROCs, except that the ROC Recycling Benefit is recognised once the cash for the benefit is received. Revenue which has not been billed at the reporting date is included as accrued income.

Cost of sales
Cost of sales includes the depreciation of assets and operations and maintenance costs.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset or assets. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Taxation
Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Tax is recognised in the Income Statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment ("PP&E")
PP&E is stated in the Statement of Financial Position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of PP&E includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Plant and Machinery:	Straight line, between 8 to 25 years
Decommissioning asset:	Straight line, 25 years

2 Accounting policies (continued)

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is immediately reduced to its recoverable amount. The carrying values of PP&E are tested annually for impairment and are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Residual values and useful lives are reassessed annually and, if necessary, changes are accounted for prospectively.

Inventories

Inventories are stated at the lower of cost incurred in bringing each item to its present location and condition and net realisable value. Provision is made where necessary for obsolete, slow-moving and defective inventories. Cost is determined on a FIFO (first in, first out) basis.

Provisions

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

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Decommissioning costs

Provision is made for the net present value of the estimated cost of decommissioning the wind farms at the end of their useful lives, based on price levels and technology at the balance sheet date.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated PP&E and depreciated accordingly. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within PP&E. The unwinding of the discount on the provision is included in the Income Statement within interest expense.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Group no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

Trade and other receivables

Trade receivables are amounts due from customers for power sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

2 Accounting policies (continued)

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resource received or receivable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are re-acquired are deducted from equity. No gain or loss is recognised in the Group's Income Statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits.

Interest-bearing loans and other borrowings
All interest-bearing (and interest free) loans and other borrowings with banks or similar institutions and 'intercompany entities' are initially recognised at fair value net of directly attributable transaction costs (if any, in respect of 'intercompany funding'). After initial recognition, these financial instruments are measured at amortised cost using the 'Effective Interest Rate' method, except when they are the hedged item in an effective fair value hedge relationship where the carrying value is also adjusted to reflect the fair value movements associated with the hedged risks. Such fair value movements are recognised in the Consolidated Income Statement. Amortised cost is calculated by taking into account any issue costs, discount or premium, when applicable.

Derivative financial instruments
The Group uses derivatives to hedge exposures to financial risks, such as interest rate and foreign exchange risks, arising in the normal course of business. The use of derivative financial instruments is governed by the Group's policies which are approved by the Board of Directors. Further detail on the Group's risk management policies is included within the Strategic report "Principal risks and uncertainties" on page 1 and in note 19.

The accounting treatment for derivatives is dependent on whether they are entered into for commercial or hedging purposes. A derivative instrument is considered to be used for hedging purposes when it alters the risk profile of an underlying exposure of the Group in line with the Group's risk management policies and is in accordance with established guidelines, which require the hedging relationship to be documented at its inception, ensure that the derivative is highly effective in achieving its objective, and require that its effectiveness can be reliably measured. The Group also holds derivatives which are not designated as hedges for accounting purposes but are held for commercial purposes, for example to manage foreign exchange risk.

All derivatives are recognised at fair value on the date on which the derivative is entered into and are re-measured to fair value at each reporting date. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative assets and derivative liabilities are offset and presented on a net basis only when both a legal right of set-off exists and the intention to net settle the derivative contracts is present.

Recognition of the gains or losses resulting from changes in fair value depends on the purpose for issuing or holding the derivative. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the Income Statement and are included within operating profit.

2 Accounting policies (continued)

Hedge accounting
For the purposes of hedge accounting hedges are classified as cash flow hedges.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the Income Statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the Income Statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss e.g. when interest income or expense is recognised.

For cash flow hedges, other than those covered above, the associated cumulative gain or loss is removed from equity and recognised in the Income Statement in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires, or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the Income Statement immediately.

3 Critical accounting judgements and key sources of estimation uncertainty

Useful lives of PP&E
Depreciation is charged so as to write off the costs of the assets over their estimated useful lives. The expected useful lives of the assets are anticipated to be 25 years, should the expected lives change then this will affect the annual depreciation charge. In 2016 the Company sought technical advice which determined that with appropriate maintenance of the wind farm asset the total useful economic life of the asset (from first commissioning) could be 25 years. Subsequently the Company has changed the UEL from 20 years to a maximum of 25 years for plant, machinery and decommissioning assets.

Impairment of PP&E
The Company's wind farm assets comprise various property, plant and equipment. The Company makes judgements and estimates in considering whether the carrying amounts of these assets are recoverable. Should the recoverable amounts be less than the current carrying values then an impairment charge is made to reduce the assets down to their net recoverable amounts.

Decommissioning costs
The estimated cost of decommissioning at the end of the wind farm's life is reviewed periodically and is based on price levels and technology at the balance sheet date. Provision is made for the estimated cost of decommissioning at the balance sheet date. The payment dates of total expected future decommissioning costs are uncertain but are currently anticipated to be 2033.

Impairment of trade receivables
The recoverable amount of the Company's trade receivables is assessed for recoverability and provision provided for any potential bad or doubtful debt.

4 Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2016 £ 000	2015 £ 000
Sale of generated electricity and associated environmental credits	54,547	66,486

All turnover relates to the principal activity of the business and occurs wholly in the United Kingdom.

5 Expenses by nature

	2016 £ 000	2015 £ 000
Operating profit is stated after charging:		
Depreciation of tangible assets (note 11)	19,549	26,970
Operating lease payments (note 20)	1,775	1,991

6 Employees' costs

The Group and the Company had no employees and therefore no staff costs (2015: £nil).

7 Net finance costs

Finance income

	2016 £ 000	2015 £ 000
Interest income from amounts owed by group undertakings	17	106
Interest income on bank and other short-term deposits	1	38
Total finance income	18	144

Finance costs

	2016 £ 000	2015 £ 000
Interest on amounts owed to group undertakings	(17,578)	(13,871)
Interest on bank overdrafts and borrowings	(15,496)	(13,802)
Unwinding of discount on decommissioning provision	(314)	(350)
Total finance costs	(33,388)	(28,023)
Net finance cost	(33,370)	(27,879)

8 Directors' remuneration

The aggregate emoluments paid to directors in respect of their qualifying services is £nil (2015: £nil). GLID Wind Farms TopCo Limited is a jointly controlled entity and the Directors are nominated by the joint venturers and all remuneration is paid by other group companies of the joint venturers. Accordingly, no emoluments are paid for their services to the Group and the Company.

9 Auditors' remuneration

Auditors' remuneration was £64,000 and relates to the audit of the Financial Statements, of which £27,000 relates to the audit of the Company and £37,000 relates to the audit of the subsidiaries (2016: £78,000, of which £27,000 relates to the audit of the Company and £51,000 relates to the audit of the subsidiaries). Non-audit fees during the year amounted to £18,000 (2016: £nil).

10 Income tax

Tax charged/(credited) in the income statement

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax at 20% (2015: 20.25%)	**133**	-
Adjustments in respect of prior years	**-**	242
	133	242

	2016 £ 000	2015 £ 000
Deferred taxation		
Current year - Origination and reversal of timing differences	**(3,044)**	(295)
Origination and reversal of timing differences		
-Arising from changes in tax rates and laws	**(676)**	(2,262)
Adjustments in respect of prior years	**(3)**	1
Total deferred taxation	**(3,723)**	(2,556)
Income tax credit	**(3,590)**	(2,314)
Income tax on continued operations	**(3,645)**	(2,765)
Income tax on discontinued operations	**55**	451
Total income tax credit	**(3,590)**	(2,314)

10 Income tax (continued)

Tax expense for the year is higher (2015: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 at 20% (2015: 20.25%). The differences are explained below:

	2016	2015
	£ 000	£ 000
Loss before tax on continuing operations	**(22,434)**	(9,777)
Profit before tax on discontinued operations	**30**	1,283
	(22,404)	(8,494)
Loss multiplied by the standard rate of tax in the UK of 20% (2015: 20.25%)	**(4,481)**	(1,720)
Effects of:		
Depreciation on non qualifying assets	**747**	1,141
Expenses not deductible	**182**	285
Income not taxable	**(531)**	-
Change in UK tax rates	**(676)**	(2,262)
Adjustments in respect of prior years	**(3)**	242
Group relief not paid for	**133**	-
Amounts not recognised	**1,039**	-
Income tax credit	**(3,590)**	(2,314)

In addition, a deferred tax charge of £nil (2015: tax credit of £924,000) was transferred from the cash flow hedge reserve to the deferred tax provision (note 16). This represents the tax effect on the interest rate derivatives.

The main rate of corporation tax for the year to 31 December 2016 was 20%. The corporation tax rate will reduce to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020 following the enactment of Finance (No. 2) Act 2015 and Finance Act 2016 respectively. These enacted rates have been reflected in these financial statements when providing for deferred tax.

11 Property, plant and equipment

The Company has £639,000 property, plant and equipment (2015: £nil).

	Plant and machinery £ 000	Decommissioning asset £ 000	Total £ 000
Cost or valuation			
At 1 January 2016	567,831	9,497	577,328
Additions	711	-	711
Revision to decommissioning asset	(60)	3,889	3,829
Disposals	(53,118)	-	(53,118)
At 31 December 2016	**515,364**	**13,386**	**528,750**
Accumulated Depreciation			
At 1 January 2016	239,714	5,161	244,875
Charge for the year	19,393	156	19,549
Revision to decommissioning asset	-	-	-
Disposals	(30,474)	-	(30,474)
At 31 December 2016	**228,633**	**5,317**	**233,950**
Carrying amount			
At 31 December 2016	**286,731**	**8,069**	**294,800**
At 31 December 2015	328,117	4,336	332,453

The fair value of the tangible fixed assets acquired with the subsidiaries was derived using forward power prices at the time of acquisition in 2008. The accumulated depreciation and impairment charge includes an impairment charge in 2009 to reflect the reduction in the net realisable value of the tangible fixed assets due to a decline in forward power prices. A full impairment assessment has been performed in 2016 with the current carrying value of the tangible fixed assets being deemed appropriate. In 2016 the group sought technical advice which determined that with appropriate maintenance of the wind farm asset the total useful economic life of the asset (from first commissioning) could be 25 years. Subsequently the group has changed the UEL from 20 years to a maximum of 25 years for both plant, machinery and decommissioning assets.

11 Property, plant and equipment (continued)

The company has the following property, plant and equipment:

	Plant and machinery £ 000	Decommissioning asset £ 000	Total £ 000
Cost or valuation			
At 1 January 2016	-	-	-
Additions	639	-	639
Revision to decommissioning asset	-	-	-
Disposals	-	-	-
At 31 December 2016	**639**	**-**	**639**
Accumulated Depreciation			
At 1 January 2016	-	-	-
Charge for the year	-	-	-
Revision to decommissioning asset	-	-	-
Disposals	-	-	-
At 31 December 2016	**-**	**-**	**-**
Carrying amount			
At 31 December 2016	**639**	**-**	**639**
At 31 December 2015	-	-	-

12 Investments in subsidiaries

The Company had the following investments in subsidiaries;

Subsidiaries	**£ 000**
Cost or valuation	
At 1 January 2015 and 1 January 2016	229,000
Disposals	(49,690)
At 31 December 2016	**179,310**
At 31 December 2015	229,000
Provision	
At 31 December 2015 and 1 January 2016	102,300
Disposals	(18,986)
At 31 December 2016	**83,314**
At 31 December 2015	102,300
Carrying amount	
At 31 December 2016	**95,996**
At 1 January 2015 and 31 December 2015	126,700

The consideration paid for the three subsidiaries was based on the value in use of the net assets acquired, using forward power prices at the time of acquisition in 2008. The current net book value reflects the impairment charge in the year ending 31 December 2009 due to the decline in forward power prices.

The Directors believe that the carrying value of the investments is supported by their underlying net assets. On 7 March 2016, the company sold its investment in Glens of Foudland Wind Farm Limited.

At 31 December 2016, the Company held interests in the issued share capital of the following undertakings, both of which have been consolidated in these financial statements:

Name of subsidiary	**Principal activity**	**Class of shares held**	**Country of incorporation and principal place of business**	**Proportion of ownership interest and voting rights held**	
				2016	**2015**
Lynn Wind Farm Limited*	Operation of an offshore wind farm	Ordinary	United Kingdom	100%	100%
Inner Dowsing Wind Farm Limited*	Operation of an offshore wind farm	Ordinary	United Kingdom	100%	100%

* indicates direct investment of GLID Wind Farms TopCo Limited

13 Trade and other receivables

	Group 2016 £ 000	Group 2015 £ 000	Company 2016 £ 000	Company 2015 £ 000
Financial assets:				
Trade receivables	-	3,794	-	-
Loans to related parties	-	20,974	-	20,974
Accrued income	**14,666**	22,085	-	129
Value added tax	-	-	**274**	401
Other receivables	**560**	-	**560**	-
Amounts owed by group undertakings	-	-	**198,960**	202,949
	15,226	46,853	**199,794**	224,453
Non-financial assets:				
Prepayment	**168**	3,045	-	-
	15,394	49,898	**199,794**	224,453

Part of the accrued income balance at 31 December 2016 was subject to the terms of the Power Purchase Agreement (note 24).

In 2015 within the amounts owed by Centrica group undertakings is a loan from the Company to one of its previous immediate parent undertakings, GLID Limited, of £20,974,000, together with accrued interest of £nil. In 2016 this loan was repaid in full. The loan was unsecured and repayable on demand, accruing interest at LIBOR for the interest period.

The remaining amounts owed by Group undertakings are repayable on demand and may be repaid to the Company at any time without penalty. The rate of interest is 9% per annum.

14 Inventories

	Group 2016 £ 000	Group 2015 £ 000	Company 2016 £ 000	Company 2015 £ 000
Raw materials and consumables	356	1,503	-	-

The write-down of stocks and consumables in the year amounted to £863,000 (2015 £7,000). Stock and consumables expensed to the Income Statement amounted to £100,000 (2015: £193,000). All inventories relate to Lynn and Inner Dowsing wind farms. There is no significant difference between the replacement cost of inventories and their carrying amounts.

15 Trade and other payables

	Group 2016 £ 000	Group 2015 £ 000	Company 2016 £ 000	Company 2015 £ 000
Trade payables	**1,480**	3,805	**177**	2,189
Amounts owed to group undertakings	**-**	43,656	**-**	43,656
Accrued expenses	**3,857**	3,228	**311**	261
VAT creditor	**504**	924	**-**	-
	5,841	51,613	**488**	46,106

In 2015 amounts owed to group undertakings on shareholder loans consisted of £43,656,000 the loan accrued interest at a rate of 9%. The loan amount was repayable on demand and was fully repaid on 7 March 2016.

16 Deferred tax liabilities

The movements in respect of the deferred income tax assets and liabilities for the Group that occurred during the financial year are as follows:

	Group 2016 £ 000	Group 2015 £ 000
At 1 January	**18,578**	20,211
Adjustment in respect of prior years	**(3)**	-
Charged to the income statement	**(3,720)**	(2,557)
Charged to the cash flow hedging reserve	**1,812**	924
Disposal of subsidiary	**(928)**	-
At 31 December	**15,739**	18,578

	Provided 31 December 2016	Provided 31 December 2015
Deferred corporation tax		
-accelerated capital allowances	**17,143**	21,867
- other timing differences	**(1,404)**	(3,289)
	15,739	18,578

16 Deferred tax liabilities (continued)

A deferred tax asset was recognised based on the expected recovery in future years following the usual business model for a project-financed wind farm, with cash generated from operations used to repay interest and loans and hence successively reduce future financing costs.

Deferred tax assets and liabilities are within the same tax jurisdiction and have been offset for financial reporting purposes:

	2016 Assets £ 000	**2016 Liabilities £ 000**	2015 Assets £ 000	2015 Liabilities £ 000
Gross deferred tax crystallising within one year	-	7,748	-	566
Gross deferred tax crystallising after one year	(1,404)	9,395	(3,289)	21,301
	(1,404)	17,143	(3,289)	21,867
Offsetting deferred tax balances	1,404	(1,404)	3,289	(3,289)
Net deferred tax balances	-	15,739	-	18,578

Movement during the year:

	At January 2016 £ 000	**Recognised in income £ 000**	**Recognised in other comprehensive income £ 000**	**At 31 December 2016 £ 000**
Accelerated tax depreciation	21,867	(4,724)	-	17,143
Other items	(1,477)	73	-	(1,404)
Revaluation of cash flow hedges	(1,812)	-	1,812	-
Net tax liabilities	18,578	(4,651)	1,812	15,739

Movement during the prior year:

	At January 2015 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2015 £ 000
Accelerated tax depreciation	24,822	(2,955)	-	21,867
Other items	(1,875)	398	-	(1,477)
Revaluation of cash flow hedges	(2,736)	-	924	(1,812)
Net tax liabilities	20,211	(2,557)	924	18,578

The movements in respect of the deferred income tax assets for the Company that occurred during the financial year are as follows:

16 Deferred tax liabilities (continued)

	Group 2016 £ 000	Group 2015 £ 000
At 1 January	**18,578**	20,211
Adjustment in respect of prior years	(3)	-
Charged to the income statement	(3,720)	(2,557)
Charged to the cash flow hedging reserve	1,812	924
Disposal of subsidiary	(928)	-
At 31 December	**15,739**	18,578

	Provided 31 December 2016	Provided 31 December 2015
Deferred corporation tax		
-accelerated capital allowances	17,143	21,867
- other timing differences	(1,404)	(3,289)
	15,739	18,578

Movement during the year:

	At January 2016 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2016 £ 000
Accelerated tax depreciation	21,867	(4,724)	-	17,143
Other items	(1,477)	73	-	(1,404)
Revaluation of cash flow hedges	(1,812)	-	1,812	-
Net tax liabilities	**18,578**	**(4,651)**	**1,812**	**15,739**

Movement during the prior year:

	At January 2015 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2015 £ 000
Accelerated tax depreciation	24,822	(2,955)	-	21,867
Other items	(1,875)	398	-	(1,477)
Revaluation of cash flow hedges	(2,736)	-	924	(1,812)
Net tax liabilities	20,211	(2,557)	924	18,578

In 2015 a deferred tax asset was recognised based on the expected recovery in future years following the usual business model for a project-financed wind farm, with cash generated from operations used to repay interest and loans and hence successively reduce future financing costs. The interest and loans were fully repaid in 2016.

16 Deferred tax liabilities (continued)

Movement during the prior year:

	2016 Assets £ 000	2015 Assets £ 000
Gross deferred tax crystallising within one year		
Gross deferred tax crystallising after one year	-	(1,812)
Offsetting deferred tax balances	-	-
Net deferred tax balances	-	(1,812)

17 Other provisions

	Group 2016 £ 000	Group 2015 £ 000	**Company 2016 £ 000**	Company 2015 £ 000
Decommissioning provision				
At 1 January	**12,539**	18,049	-	-
Additions/revisions	**3,889**	(5,981)	-	-
Disposals	**(415)**	-	-	-
Unwind of discounting	**314**	471	-	-
	16,327	12,539	-	-

Decommissioning provision

The decommissioning provision represents the future expected costs of decommissioning the Group's wind farms at the end of their useful economic lives, discounted to the present value. The payment date of the total expected future decommissioning costs is uncertain but is currently anticipated to be 2033. The above provision relates solely to assets held as at the date of these financial statements. In determining the provision the cash flows have been discounted on a pre-tax basis using an annual real interest rate of 3.15% (2015: 2.97%) for Lynn and Inner Dowsing. The assumed rate of inflation is 2.5% (2015: 1.05%).

18 Borrowings

	Group 2016 £ 000	Group 2015 £ 000	Company 2016 £ 000	Company 2015 £ 000
Current bank overdrafts, loans and borrowings				
Bank borrowings	-	24,170	-	24,170

	Group 2016 £ 000	Group 2015 £ 000	Company 2016 £ 000	Company 2015 £ 000
Non-current bank overdrafts, loans and borrowings				
Bank borrowings	-	169,177	-	169,177
Shareholder loans	273,650	82,424	273,650	82,424
	273,650	251,601	273,650	251,601

	Group 2016 £ 000	Group 2015 £ 000	Company 2016 £ 000	Company 2015 £ 000
Maturity of bank loans and overdrafts				
Within one year	-	24,170	-	24,170
In more than one year, but not more than two years	-	17,896	-	17,896
In more than two years, but not more than five years	-	65,236	-	65,236
In more than five years	273,650	168,469	273,650	168,469
	273,650	275,771	273,650	275,771

18 Borrowings (continued)

On 7 March 2016, all external loans were repaid by the new joint venture partners. The bank loans were secured on the assets and shares of the Company until 7 March 2016.

In 2016 bank loans were denominated in Sterling. The constituent parts of the bank loans were:

1) a term loan facility of £290,944,184. The loan was wholly drawn down on 9 November 2009. The loan was to be repaid in 29 semi-annual instalments with the first scheduled loan repayment on 30 June 2010 and the final scheduled loan repayment on 30 June 2024.
2) a revolving credit working capital facility of up to £15,000,000 until 31 May 2024.
3) a revolving letter of credit facility of up to £35,000,000 until 31 May 2024.

The 2016 shareholder loans consist of three debenture loan notes issued to the current parent undertakings in the form of parent loans with £165,781,000 to UK Green Investment LID Ltd, £93,526,000 to RI Income UK Holdings Ltd and £13,565,000 to RI EU Holdings (UK) Ltd. The notes bear interest on their outstanding principal amount at a rate of 6.5% per annum. The notes are due to be repaid in full on 30 September 2029. Total interest of £778,000 has accrued on these loan notes at 31 December 2016.

The company's exposure to market and liquidity risk, including maturity analysis, in respect of loans and borrowings is disclosed in note 24.

19 Share Capital

Allotted, called up and fully paid shares

	2016 No. 000	2016 £ 000	2015 No. 000	2015 £ 000
Ordinary shares of £1 each	**500**	**500**	500	500

20 Operating leases

At 31 December 2016 the Company had commitments under non-cancellable operating leases with the following maturity:

	2016 £ 000	2015 £ 000
Within one year	**1,612**	1,645
In two to five years	**2,424**	3,562
In over five years	**7,272**	4,977
	11,308	10,184

20 Operating leases (continued)

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,755,000 (2015: £1,991,000) and the amount of contingent rents was £111,000 (2015: £342,000).

Contingent rents relate to payments to The Crown Estate in respect of volumes in excess of the minimum output.

21 Other commitments and contingencies

Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2015: £nil).

22 Financial instruments at fair value

The Company had entered into an interest swap to hedge 75% of the interest payable for the duration of the bank loan. On 7 March 2016, the bank loan was repaid in full and the remaining interest swap was settled.

Determination of fair values

The Group and Company's financial assets and financial liabilities are measured and held at fair value are classified into one of three categories, known as hierarchy levels, which are defined according to the inputs used to measure fair value as follows;

Level 1: Fair value ("FV") is determined using observable inputs that reflect unadjusted quoted market prices for identical assets and liabilities;

Level 2: Fair value ("FV") is determined using significant inputs that may be directly observable inputs or unobservable inputs that are corroborated by market data; and

Level 3: Fair value ("FV") is determined using significant unobserable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

	2016 FV and carrying value £ 000	2016 FV hierarchy- Level 2 £ 000	2015 FV and carrying value £ 000	2015 FV hierarchy- Level 2 £ 000
Derivative financial liabilities - held for trading				
Interest rate derivatives	-	-	10,065	10,065

Level 2 interest rate derivatives comprise interest rate swaps. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves.

23 Fair value of financial instruments held at amortised cost

The Group and Company's financial assets and liabilities measured at amortised cost comprise trade and other receivables, cash and cash equivalents, trade and other payables and loans and borrowings. Due to their nature and/or short term maturity, the fair values of financial assets and liabilities measured at amortised cost are estimated to approximate their carrying values.

Loans and receivables credit risk exposure

	At 31 December 2016 £ 000	At 31 December 2015 £ 000
AAA to BBB-	14,666	46,853
Unrated	-	-
	14,666	46,853

Cash and cash equivalents credit risk exposure

	At 31 December 2016 £ 000	At 31 December 2015 £ 000
AAA to BBB-	7,291	16,057

24 Financial risk management and impairment of financial assets

The Group's normal operating, investing and financing activities expose it to a variety of financial risks: credit risk, market risk (including price risk, interest rate risk and currency risk) and liquidity risk. The Group's overall financial risk management approach aims to identify, manage and mitigate these risks.

In 2015 GLID Wind Farms TopCo Limited was required to make interest and capital loan repayments on 30 June and 31 December. On 7 March 2016, the capital and interest was fully repaid.

Interest rate swaps were in place covering seventy five percent of the interest rate exposure. The remaining twenty five percent was subject to variations and was calculated based on 6 month LIBOR. On 7 March 2016, in connection with repayment of the term loan, the interest rate swaps were terminated.

In 2015 the Group had access to a £15 million working capital facility which could be drawn down as required. Since 7 March 2016 this facility is no longer available.

On 7 March 2016 three loan notes were issued to the current parent undertakings in the form of parent loans. At 31 December 2016, the amounts outstanding were £165,781,000 to UK Green Investment LID Ltd, £93,526,000 to RI Income UK Holdings Ltd and £13,565,000 to RI EU Holdings (UK) Ltd. The notes bear interest on their outstanding principal amount at a rate of 6.5% per annum. The notes and interest are due to be repaid in full on 30 September 2029.

GLID Windfarms TopCo Limited has provided a letter of support to both Lynn Wind Farm Limited and Inner Dowsing Wind Farm Limited, such that amounts owed to the parent company will only be requested subject to the subsidiaries being able to meet their liabilities as they fall due..

24 Financial risk management and impairment of financial assets (continued)

Credit risk and impairment

Credit risk is the risk of loss associated with a counterparty's inability or failure to discharge its obligations under a contract.

The Group is exposed to credit risk in its sale of goods and services and on its treasury activities. Counterparty credit exposures are monitored by individual counterparty and by a minimum threshold credit rating.

There have been no material changes in the management of risk in the period or in the level of exposure to counterparties below investment grade.

Concentrations of credit risk

The Group sells all of its generated electricity and 50% of the associated environmental credits to British Gas Trading Limited.

The remainder of the associated environmental credits are sold to NPower Limited. There is a Parent Company Guarantee in place in respect of the Npower Agreement.

The Group had loaned amounts to companies that are members of groups controlled by its ultimate parent undertakings. These were repaid in full on 7 March 2016.

The Group's cash and cash equivalents are all held with a single financial institution.

Past due and impaired financial assets

No financial assets are past due at 31 December 2016 (2015: £nil) and no allowances have been made for impairment by credit losses (2015: £nil).

Derivative financial instruments credit risk exposure

Derivative fair value hedges

	Maximum amount of exposure	Provision for doubtful debt	Carrying value
Interest rate swap derivatives			
At 31 December 2016	-	-	-
At 31 December 2015	10,065	-	10,065

Interest rate derivatives comprised interest rate swaps covering seventy five percent of the interest exposure on the Group's term loan. On 7 March 2016, following repayment of the term loan, the interest rate swaps were terminated.

Market risk

Market risk is the risk of loss that results from changes in market prices (commodity prices, interest rates and foreign exchange rates). The level of market risk to which the Group is exposed at a point in time varies depending on market conditions, expectations of future price or market rate movements.

Commodity price risk

The Group is exposed to commodity price risk from the sale of electricity produced by the wind farms. The

24 Financial risk management and impairment of financial assets (continued)

Group is also exposed to volumetric risk in the form of an uncertain production profile that is dependent on wind speeds and the physical availability of the wind farms. The availability is driven by technical performance of the wind turbines, physical access to the wind farm and distribution and transmission system availability.

To manage the price risk the Group has entered into power purchase agreements with British Gas Trading Limited to sell power and ROCs until September 2024 based on a market index and Npower Limited to sell ROCs until March 2026 based on a market index. The commodity price exposure is managed by terms in these agreements that provide both a cap and floor to the prices achieved in respect of 75% of output.

There is a concentration of price risk to the Group as all of the electricity produced has to be immediately sold at the day-ahead market price, subject to the cap and floor prices included in the power purchase agreements. Current day ahead prices are close to the power price floor and have during the financial year been close to the floor therefore there is a greater probability of upside than downside on power prices in future years for the 75% of generation covered by the floor price.

The volumetric risk is managed through operations and maintenance activities targeted to maximise commercial availability and yield from the available wind resource.

Sensitivity analysis
The Group deems that a +/- 5% movement in UK power prices is reasonable.

Sales of electricity represent approximately 30% of the Group's revenue, so the impact to the Group on profit and equity, both after taxation, of a +/- 5% change in UK power prices would be less than +/- £1 million.

Other price risk
The Group is exposed to price risk from the sale of Renewable Obligation Certificates ("ROCs") awarded based on electricity production. There is a variable price component within this revenue stream, but the prices are substantially linked to the movement in the UK Retail Price Index.

The Group is also exposed to regulatory risk in the form of ongoing governmental support for the issue of these certificates.

The Group's power purchase agreements provide for 100% of the ROCs to be sold on a long-term contracted basis until between September 2024 and March 2016.

All of the certificates awarded have been contracted for sale based on the price set by government, which concentrates the price risk based on government actions to set industry targets for the supply of renewable power.

Sensitivity analysis
The main sensitivity is around the variable price component of ROCs, the Recycling Benefit ("ROC recycle"), which represents an incremental level of revenue above the basic price set by government (the "buy-out price"). The Group deems that a range for the ROC recycle of between 0% - 10% of the ROC buy-out price is reasonably possible.

The impact to the Group on profit and equity, both after taxation, of a change to the ROC recycle to 0% of the buy-out price would be a reduction of £nil as there was no ROC recycle paid out during 2016 and a change to the ROC recycle to 10% of the buy-out price would be an increase of £4 million.

Interest rate risk
In the normal course of business, the Group borrows to finance operations. Since 7 March 2016 the Group is no longer exposed to interest rate risk because the interest rates on the shareholder loans are fixed at 6.5%

24 Financial risk management and impairment of financial assets (continued)

Foreign exchange risk
The Group is exposed to currency risk on foreign currency denominated transactions and monetary assets and liabilities (transactional exposure).
The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. Foreign currency exposure is monitored by currency and duration and managed through hedging activities using forward contracts to fix the functional currency value of significant non-currency cash flows.

The Group's exposure to foreign exchange market risk relates primarily to Euros and Danish Krone and relates to some spare parts purchases.

Sensitivity analysis
The Group deems 10% movement to Euro or Danish Krone currency rates relative to pound sterling to be reasonable.

The impact of such movements on profit and equity, both after taxation, is not material to the Group.

Liquidity risk
Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due. The Group experiences movements in its liquidity position due to the seasonal nature of its business.

To mitigate this risk the Group holds cash on deposit.

Maturity analysis

	Note	Within 1 year £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	After more than 5 years £ 000	Total £ 000
At 31 December 2016						
Trade and other payables	15	5,841	-	-	-	5,841
Borrowing	18	-	-	-	(273,650)	(273,650)
		5,841	-	-	(273,650)	(267,809)

	Note	Within 1 year £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	After more than 5 years £ 000	Total £ 000
At 31 December 2015						
Trade and other payables	15	51,613	-	-	-	51,613
Borrowing	18	24,170	17,896	65,236	168,469	275,771
		75,783	17,896	65,236	168,469	327,384

24 Financial risk management and impairment of financial assets (continued)

Capital risk management

Capital components
The Group considers Capital to comprise share capital, accumulated losses and net debt, which in turn is net of loans and borrowings and cash and cash equivalents.

Capital components

Total capital	Note	At 31 December 2016 £ 000	At 31 December 2015 £ 000
Share capital	19	**500**	500
Accumulated profits		**5,784**	39,098
Non-current loans and borrowings	18	**273,650**	251,601
Current loans and borrowings	18	**-**	24,170
Cash and cash equivalents		**(7,291)**	(16,057)
		272,643	299,312

Externally imposed capital requirements
Until 7 March 2016 the Loan Facility Agreement ("LFA") which was in operation governing the external financing included certain key ratios which restricted the ability of the Group to make distributions to shareholders, including the ratio of operating cash flow debt service costs. The Group complied with all covenants until 7 March 2016 when as part of the sale and purchase agreement all external loans were repaid by the new joint venture partners.

Capital management
The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for their stakeholders.

The Group monitors its current and projected capital position on a regular basis through cash flow forecasts, which consider different inputs including significant movements in commodity prices. In order to maintain the capital structure the Group may adjust future distributions to shareholders.

25 Related party transactions

From 11 December 2009, the subsidiaries of the Group have been wholly owned by GLID Wind Farms TopCo Limited. The Company provided initial funding to each wind farm by way of an intercompany loan with all subsequent payments made by the Company on the subsidiaries behalf. The subsidiaries make periodic repayments against their loans together with interest payments. During the year Lynn Wind Farm Limited incurred interest on its loan of £10,084,000 (2015: £11,163,000), Inner Dowsing incurred interest on its loan of £8,584,000 (2015: £9,511,000) and the Company incurred interest on its loan to Glens of Foudland Wind Farm Limited of £261,000 (2015: £1,224,000). At 31 December 2016 Lynn Wind Farm Limited owed the Company £108,556,000 (2015: £118,415,000), Inner Dowsing Wind Farm Limited owed the Company £90,405,000 (2015: £99,859,000) and the Company owed Glens of Foudland Wind Farm Limited £nil (2015: £15,325,000).

On 7 March 2016 GLID windfarms Topco Limited sold its 100% investment in Glens of Foudland Wind Farm Limited to RI Income UK Holding Limited.

25 Related party transactions (continued)

On 7 March 2016 three loan notes were issued to the current parent undertakings in the form of parent loans. At 31 December 2016, the amounts outstanding were £165,781,000 to UK Green Investment LID Ltd, £93,526,000 to RI Income UK Holdings Ltd and £13,565,000 to RI EU Holdings (UK) Ltd. The notes bear interest on their outstanding principal amount at a rate of 6.5% per annum. The notes and interest are due to be repaid in full on 30 September 2029. Total interest of £778,000 has accrued on these loan notes at 31 December 2016.

During the period from 1 January 2016 to 7 March 2016 sales of generated electricity and associated environmental credits to British Gas Trading Limited, a wholly-owned subsidiary of Centrica plc, amounted to £8,992,000 (2015: £57,136,000) and are included in revenue for the year.

At 31 December 2016, the balance receivable from British Gas Trading Limited for these sales amounted to £nil (2015: £16,849,000); as the corresponding sales, had not been invoiced at the balance sheet date, this balance is disclosed in note 12 under accrued income.

No provision for bad or doubtful debts owed by related parties was required (2015: £nil).

The Directors received no emoluments during the year, as they were employed by other group companies of their respective ultimate parent companies. No recharges of emoluments are made to the company as it is not possible to accurately apportion them and accordingly no amounts are included in the financial statements for these individuals.

26 Parent and ultimate parent undertaking

Until 7 March 2016 GLID Wind Farms Limited's immediate parent undertakings were GLID Limited, a company registered in England and Wales, and Boreas Holdings S.à.r.l., a company registered in Luxembourg, each of which held a 50% interest in the Company.

GLID Limited's ultimate parent undertaking was Centrica plc, a company registered in England and Wales. Boreas Holdings S.à.r.l. was a Luxembourg limited liability company 100% owned by funds managed and/or advised by EIG Management Company, LLC, a US (Delaware) limited liability company.

The consolidated financial statements of Centrica plc may be obtained from www.centrica.com. The consolidated financial statements of Boreas Holdings S.à.r.l are available by request of its Administrative Agent at 1700 Pennsylvania Ave, NW, Suite 800, Washington, DC 20006, USA.

On 7 March 2016, each of GLID Limited and Boreas Holdings S.à.r.l. agreed to sell their respective 50% shareholding in GLID Wind Farms TopCo Limited, to UK Green Investment LID Limited (60.8% holding), RI Income UK Holdings Limited (34.3% holding) and RI EU Holdings (UK) Limited (4.9% holding).

UK Green Investment LID Limited is 100% owned by funds managed and/or advised by UK Green Investment Bank plc, a company registered in England and Wales. The consolidated financial statements of UK Green Investment Bank plc may be obtained from Level 13, 21-24 Millbank Tower, Millbank, London, SW1P 4QP.

RI Income UK Holdings Limited's ultimate parent undertaking is Renewable Income UK, a sub-fund of BlackRock Infrastructure Funds plc and RI EU Holdings (UK) Limited's ultimate parent undertaking is Renewable Income Europe, a sub-fund of BlackRock Infrastructure Funds plc, a company registered in Ireland. The consolidated financial statements of BlackRock Infrastructure Funds plc may be obtained from JP Morgan House, IFSC, Dublin 1.