Fairfield Windfarm Limited

Annual Report and Financial Statements
Registered number 06708608
31 December 2016

Contents

Company information

Directors	David Simon Baker	(resigned 1 June 2016)
	Christian Egal	(resigned 1 February 2017)
	Bruno Kold Larsen	(resigned 21 November 2016)
	Gwen Parry-Jones	(resigned 1 February 2017)
	Denis Rouhier	(resigned 1 February 2017)
	Matthew Sykes	(resigned 1 February 2017)
	Owen Forster	(appointed 1 June 2016)
	Geraldine Anceau	(appointed 21 November 2016)
	Matthieu Hue	(appointed 29 March 2017)

Auditor

KPMG LLP
66 Queen Square
Bristol
BS1 4BE

Registered Office

40 Grosvenor Place
Victoria
London
SW1X 7EN

Strategic report

The Directors present their annual report and financial statements for the year ended 31 December 2016 for Fairfield Windfarm Limited (the "Company").

Business review

The Company operates a wind farm in Cumbria, England. The wind farm produces and supplies electricity under a long term Power Purchase Agreement ("PPA") with EDF Energy plc.

The wind farm assets are considered to be in good repair and the Directors see no need for revision of the carrying amount.

The Company finances its operations through a mixture of retained profits and borrowings.

Revenues for the year were lower due to generation being below medium term averages due to the reduced wind resource. Going forward management are confident that wind speeds in the UK will maintain their medium term averages and therefore future results are anticipated to be in line with expectations.

Principal risks and uncertainties

The principal risks to the profitability of the Company are as follows:

Wind volumes

Lower wind speeds than anticipated result in less electricity being generated. Wind conditions will vary across seasons and years. Although the Company does not have any control over wind resource it ensures that there are adequate reserves in place to ensure it can withstand significant short term variability in production relating to wind.

Operational issues

Technical issues may arise on plant and equipment which can cause significant unavailability of turbines, business interruption and lost revenues. To mitigate this risk, regular reviews are undertaken in order to ensure that maintenance is performed on all wind turbines to ensure that they are in good working order and fit for purpose over their expected life spans. In addition, the Company has taken out appropriate plant and equipment and business interruption insurance to reduce the potential financial impact of operating risks.

Off take arrangements and power prices

The Company has a long term PPA in place which guarantees sales of electricity. The Company has not entered into any hedging arrangements to minimise the risk to volatility in the power price. This is managed by the continual review of the forecast profitability of the Company.

Interest rate risk

The Company has exposure to interest rate fluctuations on its borrowings. This is managed principally through the use of fixed rate debt instruments and swap agreements. The Company's policy is to use derivatives to reduce exposure to short-term interest rates and not for speculative purposes.

Foreign exchange risk

The Company's exposure to foreign currency risk mainly relates to Euro denominated transactions. As these are not significant the risk to the company is low.

Financial risks

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company adopts a prudent approach to liquidity management and mitigates against cash flow and liquidity risk by continuously monitoring forecasted and actual cash flows and maintaining sufficient cash reserves to meet its obligations. The Company's main exposure to credit risk is its cash balances with banks and customers. The risk is mitigated through using banks with good credit ratings and entering into PPAs with customers with a good credit rating.

Strategic report (continued)

Health and safety risk

The health and safety of all our employees, contractors, agency staff and the public is a key risk given the nature of the Company's business. To minimise this risk, the Company is committed to a culture that views safe working as the only way of working and to reviewing all our processes and procedures to ensure it delivers this. Training is provided to managers to ensure they understand their responsibility for the safety of the employees that they set to work. In addition, a confidential helpline has been set up for the use of anyone within the organisation to help eradicate unsafe practices and safeguard our employees.

Business Environment, Performance and Key Performance Indicators

The Company operated a 6.5 MW wind farm for the full year.

	Year ended 31 December 2016	**Year ended 31 December 2015**
Generation Volume (MWh)	**12,174**	16,096
Revenue (£000)	**1,124**	1,546
Operating profit (£000)	**215**	693

For the year ended 31 December 2016, generation was lower than medium term averages due to reduced wind resource.

There was one Lost Time Injury reported in the year. In line with our health and safety focus, the incident was investigated and measures proposed to prevent re-occurrence.

Future outlook

As the wind farm owned and operated by the Company is currently in operation, the Company will continue to receive renewable products for its generation output. In addition, as these products and the electricity generated are sold under a long term PPA, Management considers that this will support the Company's financial projections leading to strong profitability and cash flows.

The Company is currently performing in line with expectations. The Directors expect the general level of activity to remain consistent in the forthcoming year.

By order of the Board.

Owen Forster
Director

40 Grosvenor Place
Victoria
London
SW1X 7EN

18 July 2017

Directors' report

Principal activities of the Company

The principal activity of the Company is the ownership and operation of a 6.5 MW wind farm in Cumbria, England. The Company supplies electricity under a long term PPA with EDF Energy plc.

Results and dividends

The loss for the year, before taxation, amounted to £11,000 *(2015: profit of £443,000)*, and after taxation, the profit for the year amounted to £14,000 *(2015: profit of £396,000)*. During the year the Company paid dividends of £700,000 (*2015: £Nil*).

Directors

Directors who held office during the year and subsequently were as follows:

David Simon Baker	(resigned 1 June 2016)
Christian Egal	(resigned 1 February 2017)
Bruno Kold Larsen	(resigned 21 November 2016)
Gwen Parry-Jones	(resigned 1 February 2017)
Denis Rouhier	(resigned 1 February 2017)
Matthew Sykes	(resigned 1 February 2017)
Owen Forster	(appointed 1 June 2016)
Geraldine Anceau	(appointed 21 November 2016)
Matthieu Hue	(appointed 29 March 2017)

None of the Directors had a service contract with the Company in the current or prior year.

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Political contributions

The Company made no political contributions in the year *(2015: £Nil)*.

Going Concern

The Directors consider it appropriate to prepare the financial statements on a going concern basis. Further details and explanation regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Other Information

An indication of likely future development in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

Directors' report (continued)

Disclosure of information to Auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has 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 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.

Auditor

It is noted that KPMG LLP as appointed by the members are deemed to be re-appointed as the auditors to the Company for the financial year ending 31 December 2017 in accordance with the provisions of Section 487(2) of the Companies Act 2006 and that the Directors have been authorised to set the remuneration of the auditors.

By order of the Board.

Owen Forster
Director

40 Grosvenor Place
Victoria
London
SW1X 7EN

18 July 2017

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Fairfield Windfarm Limited

We have audited the financial statements of Fairfield Windfarm Limited for the year ended 31 December 2016 set out on pages 9 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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 Statement of Directors' Responsibilities set out on page 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 UK Generally Accepted Accounting Practice; 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 the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Fairfield Windfarm 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
- we have not received all the information and explanations we require for our audit.

James Ledward (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

24 July 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	*2*	**1,124**	1,546
Cost of sales		**(300)**	(254)
Gross profit		**824**	1,292
Administrative expenses		**(609)**	(599)
Operating profit	*3-5*	**215**	693
Interest payable and similar expenses	*6*	**(226)**	(250)
(Loss)/profit before taxation		**(11)**	443
Tax credit/(charge) on (loss)/profit	*7*	**25**	(47)
Profit for the year		**14**	396
Other comprehensive income			
Items that are or may be reclassified subsequently to profit and loss			
Effective portion of changes in fair value of cash flow hedges		**(76)**	70
Tax relating to other comprehensive income	*13*	**10**	(20)
Other comprehensive income for the year, net of tax		**(66)**	50
Total comprehensive income for the year		**(52)**	446

All results are derived from continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

Balance sheet
at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	8	**6,576**	6,842
Current assets			
Debtors due within one year	9	**468**	1,111
Cash at bank and in hand		**2,512**	2,495
		2,980	3,606
Creditors: amounts falling due within one year	10	**(1,048)**	(910)
Net current assets		**1,932**	2,696
Total assets less current liabilities		**8,508**	9,538
Creditors: amounts falling due after more than one year	11	**(4,330)**	(4,599)
Provisions for liabilities			
Deferred tax liability	13	**(423)**	(444)
Other provisions	14	**(121)**	(109)
Net assets		**3,634**	4,386
Capital and reserves			
Called up share capital	15	**3,621**	3,621
Cash flow hedging reserve		**(320)**	(254)
Profit and loss account		**333**	1,019
Shareholders' funds		**3,634**	4,386

The notes on pages 12 to 23 form part of these financial statements. The financial statements for Fairfield Windfarm Limited (registered number 06708608) were approved by the Board of Directors on 18 July 2017 and were signed on its behalf by:

Owen Forster
Director

Statement of changes in equity
as at 31 December 2016

	Called up share capital	**Cash flow hedging reserve**	**Profit and loss account**	**Total equity**
	£000	**£000**	**£000**	**£000**
Balance as at 1 January 2016	**3,621**	**(254)**	**1,019**	**4,386**
Profit for the year	**-**	**-**	**14**	**14**
Dividend	**-**	**-**	**(700)**	**(700)**
Other comprehensive income	**-**	**(66)**	**-**	**(66)**
Balance as at 31 December 2016	**3,621**	**(320)**	**333**	**3,634**

	Called up share capital	Cash flow hedging reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance as at 1 January 2015	3,621	(304)	623	3,940
Profit for the year	-	-	396	396
Other comprehensive income	-	50	-	50
Balance as at 31 December 2015	3,621	(254)	1,019	4,386

Notes to the financial statements

1 Accounting policies

Fairfield Windfarm Limited (the "Company") is a company incorporated and resident in the UK for tax purposes.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*. The amendments to FRS 101 (2014/2015 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Electricité de France SA, includes the Company in its consolidated financial statements. The consolidated financial statements of Electricité de France SA are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs and
- Disclosures in respect of key management personnel.

As the consolidated financial statements of Electricité de France SA include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 *Financial Instrument Disclosures* and IFRS 13 *Fair Value Measurement* have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

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

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21.

Measurement convention

The financial statements are prepared on the historical cost basis, except that the following asset and liabilities are stated at their fair value: derivative financial instruments.

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements

Notes to the financial statements (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. The carrying values of tangible fixed assets are reviewed at each reporting date for impairment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of acquisition of each asset less estimated residual value, evenly over its expected useful life, as follows:

Wind farm	20 years

No depreciation is charged on assets in the course of construction until the asset becomes operational.

Non-derivative financial instruments

Trade and other debtors

Trade and other debtors are recognised at fair value less any impairment losses

Trade and other creditors

Trade and other creditors are recognised at fair value.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. The carrying amount is increased by the finance cost in respect of the accounting year and reduced by payments made in the year.

Decommissioning costs

Provision is made for the net present value of the estimated future decommissioning costs at the end of the operating life of the wind farm. This provision is made when construction of the wind farm has reached a stage when decommissioning of the constructed plant would incur material costs. The provision is calculated using estimated costs of decommissioning, and these estimates have been arrived at by consideration of the expected costs of contracts to remove the installed plant. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money. A corresponding asset is recognised and included within the wind farm assets and depreciated over the life of the wind farm. The estimated future cost of decommissioning obligations are regularly reviewed and adjusted as appropriate for new circumstances or changes in law or technology.

Capitalised costs

All expenditure directly attributable to bringing the wind farm into the location and condition necessary for use is capitalised. Costs include turbine costs, land operating lease rentals, grid connection, civil engineering, cabling, lease related costs, community funds, telecoms, direct labour and the cost of materials.

Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting year and reduced by payments made in the year.

Cash

Cash comprises cash in hand and deposits held which are repayable on demand.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Accounting treatment for finance costs

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the assets are being incurred and activities that were necessary to get the assets ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete. The capitalisation rate used is the interest costs incurred on shareholder loans.

All other finance costs are recognised in the profit and loss account over the term of such instruments, at a constant rate on the carrying amount.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 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 balance sheet 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 temporary difference can be utilised.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate

Turnover

Turnover comprises the value of electricity generated, Renewable Obligation Certificates ("ROC"), Embedded Benefits and up until 31 July 2015, Levy Exemption Certificates ("LEC"). The values of sales are fixed by contracts with the purchaser and the government which set out the price which will be paid for each unit of electricity generated.

All electricity generated by the Company is sold to an associated company within the EDF group at a price per Megawatt hour ("MWh") together with a ROC or LEC at a separate price.

ROCs and LECs are issued to the Company by the Government as evidence that the MWh of electricity has been generated by a qualifying accredited renewable generator for the purposes of Renewable Obligations.

Revenue from sales of electricity is recognised in the period in which the output is delivered. Electricity generated which has not been invoiced at the year end is recognised as accrued income.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

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 profit and loss account

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the profit and loss account. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the profit and loss account (even if those gains would normally be recognised directly in reserves).

2 Turnover

The Company's turnover all arose in the United Kingdom and relates entirely to the Company's principal activity.

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2016	2015
	£000	£000
Depreciation of owned assets	456	442
Operating lease - land and buildings	33	31

Audit fees of £5,000 *(2015: £5,000)* were borne by EDF Energy Renewables Limited and recharged to the Company as part of the wider management fee.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Electricité de France SA.

4 Directors' remuneration

None of the Directors had a service contract with the Company in the current or prior year. They are all employed by companies within the EDF group and no portion of their remuneration can be specially attributed to their services to the Company.

5 Staff numbers and costs

The Company had no employees in 2016 *(2015: Nil)*.

Notes to the financial statements (continued)

6 Interest payable and similar expenses

	2016 £000	2015 £000
Amortisation of loan costs	**3**	3
On loans from Group companies	**219**	219
Discounted provisions - unwinding of discount (see note 14)	**4**	28
Total interest payable	**226**	250

7 Taxation

(a) Total tax expense recognised in the profit and loss account

	2016 £000	2015 £000
UK current tax		
UK corporation tax (credit)/charge on (loss)/profit for the year	**(14)**	60
Total current tax (credit)/charge	**(14)**	60
UK deferred tax		
Origination and reversal of temporary differences	**13**	38
Effect of decreased tax rate on opening balances	**(24)**	(51)
Total deferred tax credit for the year (note 13)	**(11)**	(13)
Total tax (credit)/charge on profit	**(25)**	47

Notes to the financial statements (continued)

7 Taxation (continued)

(b) Reconciliation of effective tax rate:

	2016	2015
	£000	£000
(Loss)/profit before taxation	**(11)**	443
Tax using the UK corporation tax rate of 20% *(2015: 20.25%)*	**(2)**	90
Non deductible expenses	**7**	13
Decreased tax rate on opening deferred tax balance	**(24)**	(51)
Current year effect of deferred tax rate charge	**(6)**	(5)
Total tax (credit)/charge	**(25)**	47

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction in the corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. Deferred tax balances have been restated to reflect the rates substantively enacted as at the balance sheet date.

8 Tangible fixed assets

	Windfarm assets in operation £000	**Total £000**
Cost		
At beginning of year	8,935	**8,935**
Additions	240	**240**
Disposals	(81)	**(81)**
Change in decommissioning asset (note 14)	8	**8**
At 31 December 2016	9,102	**9,102**
Depreciation		
At beginning of year	2,093	**2,093**
Charge for the year	456	**456**
Disposals	(23)	**(23)**
At 31 December 2016	2,526	**2,526**
Net book value		
At 31 December 2016	6,576	**6,576**
At 31 December 2015	6,842	**6,842**

Included above is £52,000 *(2015: £49,000)* comprising the net book value of the asset relating to the decommissioning provision.

Notes to the financial statements (continued)

9 Debtors

	2016	2015
	£000	£000
Debtors: amounts falling due within one year		
Amounts owed by group undertakings	-	400
Other debtors	-	31
Accrued income and prepayments	468	680
	468	1,111

Of the amounts owed by group undertakings £Nil *(2015: £400,000)* relates to trading balances payable on demand.

Included in accrued income is £459,000 *(2015: £618,000)* which relates to trading balances owed by group undertakings.

10 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Amounts owed to group undertakings	349	300
Other taxation	17	155
Capitalised legal costs on amounts owed to external banks	(3)	(3)
Accruals	598	351
Corporation tax payable	87	107
	1,048	910

Of the amount owed to group undertakings, £349,000 *(2015: £300,000)* relates to loans.

11 Creditors: amounts falling due after more than one year

	2016	2015
	£000	£000
Amounts owed to group undertakings	3,969	4,317
Capitalised legal costs on amounts owed to group undertakings	(24)	(27)
Interest rate swaps	385	309
	4,330	4,599

Notes to the financial statements (continued)

12 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

Creditors falling due after more than one year

	2016 £000	2015 £000
Group loans	**3,969**	4,317
	3,969	4,317

Creditors falling due within less than one year

	2016 £000	2015 £000
Group loans	**349**	300
	349	300

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Carrying amount 2016 £000	Carrying amount 2015 £000
Group loan	GBP	6 month LIBOR plus 189 basis points	2026	**4,318**	4,617

Amounts owed to group undertakings are repayable in 30 instalments over 15 years starting June 2011. The loan attracts interest on a daily basis at a rate of '6 month Libor' plus 189 basis points. The interest rate risk is managed using interest rate swaps that give an effective interest rate of 3.48% on 70% of the loan, and a floating rate of 1.89% above '6 month LIBOR' on the remaining 30% of the loan.

These loans are secured on the wind farm asset.

Notes to the financial statements (continued)

13 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2016	2015
	£000	£000
Accelerated capital allowances	**489**	500
Gains / losses on derivative financial instruments (cash flow hedges)	**(66)**	(56)
	423	444

Movement in deferred tax during the year

	1 January 2016	**Recognised in profit and loss account**	**Recognised in other comprehensive income**	**31 December 2016**
	£000	**£000**	**£000**	**£000**
Accelerated capital allowances	**500**	**(11)**	**-**	**489**
Gains / losses on derivative financial instruments (cash flow hedges)	**(56)**	**-**	**(10)**	**(66)**
	444	**(11)**	**(10)**	**423**

Movement in deferred tax during the prior year

	1 January 2015	Recognised in profit and loss account	Recognised in other comprehensive income	31 December 2015
	£000	£000	£000	£000
Accelerated capital allowances	513	(13)	-	500
Gains / losses on derivative financial instruments (cash flow hedges)	(76)	-	20	(56)
	437	(13)	20	444

Of the amounts recognised in the profit and loss account, £13,000 *(2015:£38,000)* relates the current year and (£24,000) *(2015: (£51,000))* relates to the effect of reduced tax rate on the opening liability. Of the amounts recognised in other comprehensive income, all relate to the current year.

Notes to the financial statements (continued)

14 Provisions

	2016	2015
	£000	£000
Decommissioning	**121**	109
At 31 December 2016	**121**	109

Provisions are made for the net present value of the estimated future decommissioning costs at the end of the operating life of the wind farm. The provision is calculated using estimated costs of decommissioning. An average inflation rate of 2.1% *(2015 2.0%)* has been applied and then this has been discounted at a pre-tax rate of 3.2% *(2015: 3.6%)*

The movement in provisions during the current year are as follows:

	£000
At 31 December 2015	**109**
Change in estimate	**8**
Unwinding of discount	**4**
At 31 December 2016	**121**

Notes to the financial statements (continued)

15 Capital and reserves

Allotted, called up and fully paid

	2016 Number	2016 £000	2015 Number	2015 £000
Ordinary shares of £1 each	**3,620,646**	**3,621**	3,620,646	3,621
	3,620,646	**3,621**	3,620,646	3,621

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

17 Financial Commitments

Amounts contracted for but not provided in the financial statements amounted to £2,973,000 *(2015: £3,116,000)*. These include £321,000 *(2015: £343,000)* of total commitments on operating land leases and £2,652,000 *(2015: £2,773,000)* of commitments on turbine maintenance contracts.

In addition, the Company had outstanding forward contracts to hedge £538,000 *(2015: £649,000)* of loan interest payments. Unrealised losses of £385,000 at 31 December 2016 *(2015: loss of £309,000)* were associated with these contracts.

18 Operating lease commitments

Total commitments under non-cancellable operating leases on land are as set out below:

	2016 £000	2015 £000
Operating leases which expire:		
- Within one year	**23**	23
- Between one and five years	**91**	91
- After five years	**207**	229
	321	343

During the year £33,000 *(2015: £31,000)* was recognised as an expense in the profit and loss account in respect of operating leases.

Notes to the financial statements (continued)

19 Related parties

As the Company is a wholly owned subsidiary of EDF Energy Renewables Holdings Limited, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The following related party transactions occurred in the year:

Related party	Relationship	Transaction	Amount (£000)	Amount outstanding (£000)
EDF IG	Group company	Loan repayment	299	4,317 creditor
EDF IG	Group company	Interest accrued	219	1 creditor

The following related party transactions occurred in the year ended 31 December 2015:

Related party	Relationship	Transaction	Amount (£000)	Amount outstanding (£000)
EDF IG	Group company	Loan repayment	272	4,616 creditor
EDF IG	Group company	Interest accrued	219	1 creditor

20 Parent undertaking and controlling party

EDF Energy Renewables Holding Limited holds a 100% interest in the Company and is considered to be the immediate parent company. The registered address of EDF Energy Renewables Holdings Limited is 40 Grosvenor Place, Victoria, London, SW1X 7EN.

At 31 December 2016, Electricité de France SA, a company incorporated in France, is regarded by the Directors as the Company's ultimate parent company and controlling party. This is the largest and smallest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

21 Accounting estimates and judgement

The preparation of financial statements requires the use of accounting estimates and judgments, and requires management to exercise judgment in applying accounting policies. We continually evaluate our judgments and assumptions.

Provision is made for the net present value of the estimated future decommissioning costs at the end of the operating life of the wind farm. The provision is calculated using estimated costs of decommissioning, and these estimates are arrived at by consideration of the expected costs of contracts to remove the installed plant. The estimates are discounted at pre-tax rates that reflect current market assessments of the time value of money. The assumptions used to calculate this provision are updated by management on a regular basis. See note 14 where these assumptions are presented.

The Company holds on its balance sheet, fixed assets related to the wind farm project. The carrying value recognised for these assets is included on the judgement that it will be recovered through the future activities of the Company. These judgements are based on a periodic assessment of impairment indicators which are reviewed by management.