

CASTLE PILL WIND LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2016**

FRIDAY



L6EK52R7

LD4

08/09/2017

#63

COMPANIES HOUSE

Registered Number 08618195

CASTLE PILL WIND LIMITED

COMPANY INFORMATION

Directors

D M Hardy

J M Linney

Secretary

Teresa Hedges

Registered Office

8 White Oak Square

London Road

Swanley

BR8 7AG

Auditor

Deloitte LLP

Statutory Auditor

2 New Street Square

London

EC4A 3BZ

Banker

HSBC Bank PLC

60 Queen Victoria Street

London

EC4N 4TR

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CONTENTS	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report to the members of Castle Pill Wind Limited	3
Statement of comprehensive income	4
Balance sheet	5
Statement of change in equity	6
Notes to the financial statements	7 - 13

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2016.

The Directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. Accordingly, no strategic report has been presented.

Principal activities

The Company was incorporated on 22 July 2013. The Company operates principally as a designated member of Wind Assets LLP (the "LLP"), whose principal activity is the financing and operation of two wind farms, Castle Pill wind farm and Ferndale wind farm, located in South Wales. Under the terms of the Membership Agreement, each member shall have one vote in respect to any decisions and all matters shall be determined by unanimous vote of the members. As a result Castle Pill Wind Limited does not have control over the LLP and is exempt from producing consolidated accounts for the year under review. The partnership has rights to the earnings of Castle Pill wind farm. The interest held in LLP is 86.20%.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

D M Hardy
J M Linney

Results and dividends

The results for the year are set out on page 4.

No ordinary dividends were paid in the current or prior year. The Directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

Financial risk management objectives and policies

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the Directors note that all balances are with group companies and as a result there are no substantial counterparty or credit or liquidity risks.

Future developments

The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

Auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

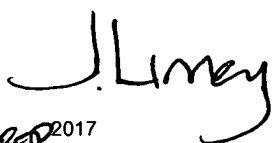
Each of the Directors in office at the date of approval of this annual report confirms that:

- 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 he/she ought to have taken as a director in order to make himself / herself 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.

On behalf of the Board

J M Linney
Director



6 SEPTEMBER 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable by law), including FRS 102, "The Financial Reporting Standard applicable in the UK and Ireland". 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 for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTLE PILL WIND LIMITED

We have audited the financial statements of Castle Pill Wind Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Change in Equity and the related notes on pages 7 - 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



William Brooks FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

6 SEPT 2017

CASTLE PILL WIND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000	2016 £'000	2015 £'000
		Company only	Company only	Gross effect of joint venture*	Gross effect of joint venture*
Turnover	3	-	-	556	658
Cost of sales		-	-	(207)	(229)
Gross profit		-	-	349	429
Administration costs		-	-	(389)	(371)
Operating (loss)/profit	4	-	-	(40)	58
Interest receivable and similar income	7	-	-	-	1
Interest payable and similar charges	8	(245)	(130)	(372)	(322)
Loss before taxation		(245)	(130)	(412)	(263)
Taxation	9	16	-	16	-
Loss for the financial year		(229)	(130)	(396)	(263)
Total comprehensive loss for the year		(229)	(130)	(396)	(263)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

CASTLE PILL WIND LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000	2016 £'000	2015 £'000
		Company only	Company only	Gross effect of joint venture*	Gross effect of joint venture*
Fixed assets					
Investments	11	4,741	4,741	3,494	3,962
Goodwill	10	-	-	2,075	2,191
Share of gross assets		-	-	4,160	4,705
Share of gross liabilities		-	-	(2,741)	(2,934)
Current assets					
Debtors: amount falling due within one year	12	509	-	509	-
Current liabilities					
Creditors: amounts falling due within one year	13	(352)	(277)	(352)	(277)
Net current assets / (liabilities)		<u>157</u>	<u>(277)</u>	<u>157</u>	<u>(277)</u>
Total assets less current liabilities		<u>4,898</u>	<u>4,464</u>	<u>3,651</u>	<u>3,685</u>
Creditors: amounts falling due after more than one year	13	(2,396)	(1,733)	(2,396)	(1,733)
Net Assets		<u>2,502</u>	<u>2,731</u>	<u>1,255</u>	<u>1,952</u>
Capital and reserves					
Called up share capital	15	3,091	3,091		
Profit and loss account		(589)	(360)		
Total equity		<u>2,502</u>	<u>2,731</u>		

The financial statements of Castle Pill Wind Limited, registered number 08618195, were approved by the Board of Directors and authorised for issue on 6 SEPTEMBER 2017. They were signed on its behalf by:

J M Linney
Director
6 SEPTEMBER 2017



STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2015	<u>3,091</u>	<u>(230)</u>	<u>2,861</u>
Year ended 31 December 2015:			
Total comprehensive loss for the year	-	(130)	(130)
Balance at 31 December 2015	<u>3,091</u>	<u>(360)</u>	<u>2,731</u>
Year ended 31 December 2016:			
Total comprehensive loss for the year	-	(229)	(229)
Balance at 31 December 2016	<u>3,091</u>	<u>(589)</u>	<u>2,502</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Castle Pill Wind Limited is a Company domiciled and incorporated in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, BR8 7AG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in pound sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value, and in accordance with FRS 102. The principal accounting policies adopted are set out below and have been applied consistently in the current and prior year.

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following requirements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Parties' - Related party transactions with other undertakings in the John Laing Environmental Assets Group (UK) Limited group.

The financial statements of the Company are consolidated in the financial statements of JLEAG Wind Holding Limited. These consolidated financial statements are available from its registered office, 8 White Oak Square, London Road, Swanley, BR8 7AG.

1.2 Basis of accounting for joint ventures

As the Company does not have subsidiaries, it is not required to produce consolidated financial statements. Gross information is therefore presented in respect of joint ventures using the gross equity method where the Company has joint control and significant influence. Interest in joint ventures are shown in the gross information at cost including advances, plus the appropriate share of post acquisition retained profits and reserves. In the parent company balance sheet investments in joint ventures and associates are included at the Company's share of historical cost adjusted for impairment.

Where the accounting policies of joint ventures and associates do not conform with the Company's accounting policies, adjustments are made in order to present the Company accounts on a uniform basis.

1.3 Going concern

The Company is in a net asset position as at 31 December 2016. The Directors have reviewed the Company's forecasts and projections following the refinancing of the project via the Company's holding company, taking into account reasonable possible changes in environmental conditions, in addition to asset and counterparty performance which show that the Company can continue to meet its debts as they fall due.

The Directors therefore, at the time of approving the financial statements, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

1 Accounting policies (continued)

1.5 Investments

Fixed asset investments are shown at cost less provision for impairment. Income from investments is included in the profit and loss account as declared.

1.6 Goodwill

Goodwill arising on the acquisition of joint ventures, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 21 years. Provision is made for any impairment.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

1 Accounting policies**(continued)*****Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors 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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Recoverability of fixed investments

During the year, the Directors have assessed whether there is a case for impairment of the investment held on the balance sheet of £4,741,000, comprising the investment held in Wind Assets LLP. Based on the future activity of the LLP, the Directors feel that the value of the investment in the partnership is not less than stated on the balance sheet at 31 December 2016. This situation will be monitored closely and adjustments made where future market activity indicates as appropriate.

3 Turnover and other revenue

	Company Only	Company Only	Gross JV	Gross JV
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Turnover in the year is analysed as follows:				
Power Purchase Agreement	-	-	275	342
Renewable Obligation Certificate	-	-	253	293
Levy Exemption Certificate	-	-	-	20
Other income	-	-	28	3
	<u>-</u>	<u>-</u>	<u>556</u>	<u>658</u>

Turnover by geographical market

United Kingdom	-	-	556	658
----------------	---	---	-----	-----

Turnover is derived from the sale of electricity and the sale of renewable energy certificates to a sole third party energy supplier in Germany. Turnover is recognised at the point of generation.

Other income comprises Triad revenue of £28,000 (2015: £3,000) generated during the three half-hours of peak electricity demand between the beginning of November in the previous financial year and the end of February in the current financial year. Due to the nature of the income, Triad revenue is recognised in the period the income is received.

4 Operating (loss)/profit

	Company Only	Company Only	Gross JV	Gross JV
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Operating (loss)/profit is stated after charging:				
Fees payable for the audit of the Company and the LLP's Financial Statements	-	-	10	7
Depreciation	-	-	217	245
Amortisation of Goodwill	-	-	116	116
Operating lease charges	-	-	6	4
Foreign exchange	-	-	10	2

The audit fee for the Company for year of £4,000 (2015: £5,000) has been borne by another group company and no recharge was made. There were no fees for non-audit services in the current or prior year. Amortisation of goodwill is included within the administration costs.

5 Directors' remuneration

No Directors received any remuneration for services to the Company during the current or prior year.

6 Employees

The Company had no employees during the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

7 Interest receivable and similar income

	Company Only	Company Only	Gross JV	Gross JV
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Interest income				
Interest receivable on bank deposits	-	-	-	1
	-	-	-	1

8 Interest payable and similar charges

	Company Only	Company Only	Gross JV	Gross JV
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Interest payable to parent undertaking	245	130	327	318
Amortised debt issue costs	-	-	5	-
Due diligence and advisor cost	-	-	34	-
Interest on unwinding of provision	-	-	3	4
Other interest payable	-	-	2	-
	245	130	372	322

9 Tax on loss on ordinary activities

	Company Only	Company Only	Gross JV	Gross JV
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Reconciliation of tax for the year				
Loss for the financial year	(245)	(130)	(412)	(263)
Expected tax charge based on a corporation tax rate of 20% (2015: 20.25%):	49	26	82	53
Effects of:				
Share of partnership results	10	3	-	-
Tax effect of expenses that are not deductible in determining taxable profit	(43)	(45)	-	-
Tax losses not recognised for deferred tax purposes	-	-	(66)	(69)
Utilisation of brought forward losses not previously recognised for deferred tax purposes	-	16	-	16
Taxation for the year	16	-	16	-

Factors affecting the tax charge for the current period

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the results before tax are shown above.

For the year ended 31 December 2016, the UK has a corporation tax rate of 20%.

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective 1 April 2017 and to 18% effective 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provided a further reduction in the main rate of corporation tax to 17% effective 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

10 Goodwill

	Gross share of joint venture £'000
Cost	
At 1 January 2016 and 31 December 2016	2,446
Accumulated Amortisation	
At 1 January 2016	(255)
Charge for the period	(116)
At 31 December 2016	(371)
Net book value	
At 31 December 2016	2,075
At 31 December 2015	2,191

Goodwill arose on the acquisition of Wind Assets LLP on 22 October 2013. Goodwill is amortised straight line over the period from acquisition to the end of the project life in October 2034.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11 Investments

	Gross JV 2016 £'000	Gross JV 2015 £'000
Investments in joint ventures		
Turnover	556	658
Loss before tax	(412)	(263)
Taxation	16	-
Loss after tax	(396)	(263)
Total assets		
- Goodwill (note 9)	2,075	2,191
- Fixed assets	3,661	4,242
- Current assets	499	463
Total liabilities:		
- less than one year	(291)	(42)
- greater than one year	(2,450)	(2,892)
Net assets	3,494	3,962

The Company holds an 86.2% interest in Wind Assets LLP, which is incorporated in Great Britain and is registered in England and Wales. The Company has joint control over this entity and accordingly it has been accounted for as a joint venture and not consolidated. The principal activity of this joint venture is to finance and operate two wind farms in South Wales.

	Company Only £'000
Cost and Net book value	
At 31 December 2015	4,741
At 31 December 2016	4,741

On 30 October 2013 Castle Pill Wind Limited purchased a 86.2% share in the members capital of Wind Assets LLP for £4,741,000.

In the opinion of the Directors the value of the investment in the LLP is not less than the amount stated in the balance sheet.

12 Debtors

	Company Only 2016 £'000	Company Only 2015 £'000
Debtors falling due within one year		
Amounts owed by parent undertaking	493	-
Deferred tax asset (note 9)	16	-
	509	-

The loan to Wind Assets LLP of £493,000 (2015: £Nil) bears no interest and will be repaid through future distribution from the LLP.

13 Creditors

	Company Only 2016 £'000	Company Only 2015 £'000
Creditors falling due within one year		
Amounts owed to parent undertaking	50	191
Amounts owed to interests in LLP (note 14)	302	86
	352	277

Amounts owed to parent undertaking

The amount due to parent undertaking comprises principal loan repayment due on subordinated loan debt in 2017 (2015: accrued interest outstanding on the subordinated debt) (see note 14).

Creditors: amounts falling due after more than one year

Loans and overdrafts (note 14)	2,396	1,733
	2,396	1,733

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14 Loans and overdrafts

	Company Only 2016 £'000	Company Only 2015 £'000
Amounts owed to group undertaking	2,446	1,733
Amounts owed to interests in LLP	302	86
	<u>2,748</u>	<u>1,819</u>
Payable in less than one year	352	86
Payable after one year	<u>2,396</u>	<u>1,733</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>2,030</u>	<u>1,733</u>
	<u>2,030</u>	<u>1,733</u>

Subordinated debt

On 16 March 2016, the Company entered into a loan agreement with its parent company, JLEAG Wind Limited, for an amount of £2,879,000, bearing a fixed interest rate of 10.5% per annum. On the same day, the parent company fully repaid the existing subordinated loan of £1,733,000 (2015: £1,733,000) and outstanding interest of £219,000 (2015: £191,000) on behalf of the Company.

During the year the Company made repayments of £433,000 against the new loan principal and £216,000 of interest. The principal balance as at 31 December 2016 was £2,446,000 and there was no outstanding interest. The loan is repayable on demand, however, the parent company has no intention of demanding repayment until such time as the Company has sufficient funds.

Amounts owed to interests in LLP

The loan from Wind Assets LLP of £302,000 (2015: £86,000) bears no interest and will be repaid through future distributions from the LLP.

15 Share capital and other reserves

	2016 £'000	2015 £'000
Ordinary share capital		
Allotted, called up and fully paid:		
3,091,287 ordinary shares of £1	<u>3,091</u>	<u>3,091</u>

The Company has one class of ordinary shares which carry no right to fixed income.

Other Reserves

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

16 Transactions with related parties

No guarantees have been given or received.

As a wholly owned subsidiary of JLEAG Wind Limited, which is indirectly a wholly owned subsidiary of John Laing Environmental Assets Group (UK) Limited, the Company has taken advantage of the exemption under FRS 102 section 33 not to provide information on related party transactions with other undertakings within the John Laing Environmental Assets Group (UK) Limited group. A copy of the published financial statements of John Laing Environmental Assets Group (UK) Limited can be obtained from Companies House.

17 Controlling party

The Company's ultimate parent and controlling entity is John Laing Environmental Assets Group Limited, a company incorporated in Guernsey, Channel Islands, with a registered address of Samia House, Le Truchot, St. Peter Port, Guernsey, GY1 4NA.

Copies of the accounts for John Laing Environmental Assets Group Limited are available from the website www.jlen.com.

On 16 March 2016, the Company's immediate parent company John Laing Environmental Assets Group (UK) Limited, sold all of its shares in the Company to JLEAG Wind Limited, a company incorporated in Great Britain and registered in England & Wales. The smallest and largest group in which its results are consolidated is JLEAG Wind Holding Limited. Copies of the consolidated accounts of JLEAG Wind Holding Limited are available from Companies House.