CASTLE PILL WIND LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2017

Registered Number 08618195

COMPANY INFORMATION

Directors
S O Vince (Appointed 1 December 2017)
J M Linney

Company Secretary
T S Hedges

Company number
08618195

Registered Office
8 White Oak Square
London Road
Swanley
BR8 7AG

Auditor
Deloitte LLP
Statutory Auditor
2 New Street Square
London
United Kingdom

Banker
HSBC Bank PLC
8 Canada Square
London
E14 5HQ

CONTENTS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their annual report and the audited financial statements for the year ended 31 December 2017.

The annual 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	(Resigned 1 December 2017)
S O Vince	(Appointed 1 December 2017)
J M Linney	

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

Results and dividends
The results for the year are set out on page 5.

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

O Vince.

S O Vince
Director
5 July 2018

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 of the Company for that period. In preparing these financial statements, the Directors are required to:

• select suitable accounting policies and then apply them consistently;
• make judgements and accounting estimates that are reasonable and prudent; 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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:
• give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Castle Pill Wind Limited (the 'Company') which comprise:
• the statement of comprehensive income;
• the balance sheet;
• the statement of changes in equity; and
• the related notes on pages 8 - 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:
• the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
• the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
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.

Report on other legal regulatory requirements

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
Under the Companies Act 2006 we are required to report in respect of the following matters 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' exemptions from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

William Brooks FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
5 July 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000 Company only	2016 £'000 Company only	2017 £'000 Gross effect of joint venture	2016 £'000 Gross effect of joint venture
Turnover	3	-	-	668	556
Cost of sales				(140)	(207)
Gross profit		-	-	528	349
Administration costs		-	-	(468)	(389)
Operating profit/(loss)	4	-	-	60	(40)
Interest payable and similar charges	7	(257)	(245)	(323)	(372)
Loss before taxation		(257)	(245)	(263)	(412)
Tax on loss	8	146	16	301	16
Loss for the financial year		(111)	(229)	37	(396)
Total comprehensive (loss)/profit for the year		(111)	(229)	37	(396)

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

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £'000 Company only	2016 £'000 Company only	2017 £'000 Gross effect of joint venture	2016 £'000 Gross effect of joint venture
Fixed assets					
Investments	10	4,741	4,741	3,967	3,494
Goodwill	9	-	-	1,959	2,075
Share of gross assets		-	-	4,605	4,160
Share of gross liabilities		-	-	(2,597)	(2,741)
Current assets					
Debtors falling due after more than one year	11	162	16	317	16
Debtors falling due within one year	11	493	493	493	493
		655	509	810	509
Creditors: amounts falling due within one year	12	(190)	(352)	(190)	(352)
Net current (liabilities)/assets		465	157	620	157
Total assets less current liabilities		5,206	4,898	4,587	3,651
Creditors: amounts falling due after more than one year	12	(2,815)	(2,396)	(2,815)	(2,396)
Net assets		2,391	2,502	1,772	1,255
Capital and reserves					
Called up share capital	15	3,091	3,091		
Profit and loss reserves		(700)	(589)		
Total equity		2,391	2,502		

The financial statements of Castle Pill Wind Limited, registered number 08618195, were approved by the Board of Directors and authorised for issue on 5 July 2018. They were signed on its behalf by:

S O Vince

S.O Vince
Director
5 July 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2016	3,091	(360)	2,731
Year ended 31 December 2016:			
Total comprehensive loss for the year	-	(229)	(229)
Balance at 31 December 2016	**3,091**	**(589)**	**2,502**
Year ended 31 December 2017:			
Total comprehensive loss for the year	-	(111)	(111)
Balance at 31 December 2017	**3,091**	**(700)**	**2,391**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information
Castle Pill Wind Limited is a private company limited by shares domiciled in the United Kingdom, incorporated in Great Britain and registered 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 Limited and JLEAG Wind Holding Limited.

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 2017. The Directors have reviewed the Company's forecasts and projections, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

1 Accounting policies **(continued)**

1.4 Turnover

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

Turnover on the generation of energy comprises the value of units supplied during the year. Units are determined by energy volumes recorded on the wind farm meters and market settlement systems. Under the terms of its Power Purchase Agreements (PPA) with customers, ROCs are immediately transferable to the customer. Turnover in relation to ROCs is recognised in line with the generation of energy.

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

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

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.

1 Accounting policies **(continued)**

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.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company 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.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

1 Accounting policies **(continued)**

1.10 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.

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 2017. This situation will be monitored closely and adjustments made where future market activity indicates as appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

3 Turnover and other revenue

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
An analysis of the Company's turnover is as follows:				
Power Purchase Agreement revenue	-	-	340	275
Renewable Obligation Certificates	-	-	316	253
Other income	-	-	12	28
	-	-	668	556

Turnover analysed by geographical market

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
United Kingdom	-	-	668	556

Turnover is derived from the sale of electricity produced in the United Kingdom 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 £12,000 (2016: £28,000) 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 profit/(loss)

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
Operating profit/(loss) is stated after charging:				
Fees payable for the audit of the Company and the LLP's Financial Statements	-	-	8	10
Depreciation	-	-	217	217
Amortisation of Goodwill	-	-	116	116
Operating lease charges	-	-	20	6
Foreign exchange	-	-	-	10

The audit fee for the Company for the year of £4,000 (2016: £4,000) 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.

7 Interest payable and similar charges

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
Interest payable to parent undertaking	257	245	314	328
Amortised debt issue costs	-	-	6	5
Due diligence and advisor cost	-	-	-	34
Interest on unwinding of provision	-	-	3	3
Other interest payable	-	-	-	2
	257	245	323	372

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

8 Taxation

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
Current tax				
Total current tax	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	-	-	75	-
Change in tax rates	6	-	-	-
Adjustment in respect of prior years	(103)	-	(305)	-
Tax losses carried forward	(49)	(16)	(71)	(16)
Total deferred tax	(146)	(16)	(301)	(16)
Total tax credit	(146)	(16)	(301)	(16)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
Loss before taxation	(257)	(245)	(263)	(412)
Expected tax credit based on a corporation tax rate of 19.25% (2016: 20.00%):	(49)	(49)	(51)	(82)
Effects of:				
Share of partnership results	-	(10)	-	-
Adjustment in respect of prior years	(103)	-	(305)	-
Tax effect of expenses that are not deductible in determining taxable profit	-	43	55	-
Tax losses not recognised for deferred tax purposes	-	-	-	66
Effect of change in corporation tax rate	6	-	-	-
Taxation credit for the year	(146)	(16)	(301)	(16)

In calculating the tax expense in 2017, £152,000 of interest and amounts economically equivalent to interest have been disallowed as a result of Business Erosion and Profit Shifting Initiative (BEPS) legislation.

For the year ended 31 December 2017, the UK rate of 19.25% is applied.

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.

9 Goodwill

	Gross share of joint venture £'000
Cost	
At 1 January 2017 and 31 December 2017	2,446
Accumulated amortisation	
At 1 January 2017	(371)
Charge for the period	(116)
At 31 December 2017	(487)
Net book value	
At 31 December 2017	1,959
At 31 December 2016	2,075

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 2017 (CONTINUED)

10 Investments

	Gross JV 2017 £'000	Gross JV 2016 £'000
Investments in joint ventures		
Turnover	668	556
Loss before tax	(263)	(412)
Taxation	301	16
Loss after tax	37	(396)
Total assets		
- Goodwill (note 9)	1,959	2,075
- Fixed assets	3,439	3,661
- Current assets	1,166	499
Total liabilities:		
- less than one year	(437)	(291)
- greater than one year	(2,160)	(2,450)
Net assets	3,967	3,494

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 at historical cost less impairment, and has not been 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 2016	4,741
At 31 December 2017	**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.

11 Debtors

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
Amounts falling due within one year				
Amounts owed by parent undertaking	493	493	493	493
	493	493	493	493
Amounts falling due after more than one year				
Deferred tax asset (note 14)	162	16	317	16
	162	16	317	16
Total debtors	655	509	810	509

The loan to Wind Assets LLP of £493,000 (2016: £493,000) bears no interest and will be repaid through future distribution from the LLP. The loan is payable on demand, however, the member has no intention of demanding repayment until such time as the LLP has sufficient funds.

12 Creditors

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
Creditors falling due within one year				
Amounts owed to parent undertaking	61	50	61	50
Amounts owed to interests in LLP (note 13)	129	302	129	302
	190	352	190	352
Creditors: amounts falling due after more than one year				
Amount owed to interest in LLP (note 13)	430	-	430	-
Loans and overdrafts (note 13)	2,385	2,396	2,385	2,396
	2,815	2,396	2,815	2,396

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

13 Loans and overdrafts

	Company Only 2017 £'000	Company Only 2016 £'000	Gross JV 2017 £'000	Gross JV 2016 £'000
Amounts owed to group undertaking	2,446	2,446	2,446	2,446
Amounts owed to interests in LLP	559	302	559	302
	3,005	2,748	3,005	2,748
Payable in less than one year	190	352	190	352
Payable after one year	2,815	2,396	2,815	2,396
	3,005	2,748	3,005	2,748
Amounts included above which fall due after five years:				
Payable by instalments	1,872	2,030	1,872	2,030
	1,872	2,030	1,872	2,030

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 and outstanding interest of on behalf of the Company.

During the year the Company made repayments of £Nil (2016: £433,000) against the new loan principal. The principal balance as at 31 December 2017 was £2,446,000 (2016: £2,446,000) and there was outstanding interest of £129,000 (2016: £Nil). 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 £429,000 (2016: £302,000) bears no interest and will be repaid through future distributions from the LLP. The loan is payable on demand, however, Wind Assets LLP has no intention of demanding repayment until such time as the Company has sufficient funds.

14 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Company Only Asset 2017 £'000	Company Only Asset 2016 £'000	Gross JV Asset 2017 £'000	Gross JV Asset 2016 £'000
Accelerated capital allowances	-	-	(84)	-
Tax losses	146	16	401	16
	146	16	317	16

Movements in the year:	Company Only 2017 £'000	Gross JV 2017 £'000
Liability/(Asset) at 1 January 2017	-	(16)
Charge to profit or loss	(152)	(301)
Effect of change in tax rate - profit or loss	6	-
Liability/(Asset) at 31 December 2017	(146)	(317)

The deferred tax liability in relation to tax losses set out above is expected to reverse after more than five years and relates to the utilisation of tax losses against future expected profits over the project life.

15 Share capital

	2017 £'000	2016 £'000
Ordinary share capital		
Issued and fully paid		
3,091,287 Ordinary shares of £1	3,091	3,091

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 Related party transactions
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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

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 Sarnia House, Le Truchot, St. Peter Port, Guernsey, GY1 4NA.

Copies of the financial statements 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 group in which its results are consolidated is JLEAG Wind Limited and the largest group in which its results are consolidated is JLEAG Wind Holding Limited. Both of these parent companies have a registered office of 1 Kingsway, London, WC2B 6AN and copies of the consolidated financial statements are available from Companies House.